UNITED
NATIONS

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## General Assembly

PROVISIONAL

A/S-18/PV.6
11 May 1990

ENGLISH

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Eighteenth special session

GENERAL ASSEMBLY

# PROVISIONAL VERBATIM RECORD OF THE SIXTH MEETING

Held at Headquarters, New York,
on Wednesday, 25 April 1990, at 3 p.m.

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| President: | Mr. GARBA<br>(President) | (Nigeria) |
| later: | Mr. LOHIA<br>(Vice-President) | (Papua New Guinea) |
| later: | Mr. ALI<br>(Vice-President) | (Sudan) |
| later: | Mrs. CASTRO de BARISH<br>(Vice-President) | (Costa Rica) |
| later: | Mr. KHARRAZI<br>(Vice-President) | (Iran, Islamic Republic of) |

- Address by Mr. George Vassiliou, President of the Republic of Cyprus
- General debate [8] and [9] (continued)

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The meeting was called to order at 3.10 p.m.

AGENDA ITEMS 8 AND 9 (continued)

GENERAL DEBATE

Mr. AL-ZAHAWIE (Iraq)(interpretation from Arabic): Allow me to congratulate you, Sir, on your assumption of the presidency of the special session of the General Assembly and to take this opportunity to hail the historic event that occurred at the outset of the special session, the accession of the Republic of Namibia to membership of the United Nations after a long and heroic struggle to attain its independence.

The convening of this special session at the beginning of the 1990s, following upon the profound political changes that have recently occurred revives hopes that we may succeed in arriving at agreement on the concept of development dialogue, the improvement of the world economy and the correction of its major imbalances.

A better understanding of the thorny economic realities that prevailed during the 1980s, and of the reasons underlying the absence of any genuine dialogue on ways and means to tackle the world's economic problems, would help developed and developing countries alike adopt a scientific approach to the formulation of economic policies appropriate for the 1990s.

In order to face future challenges and revitalize growth and development in the developing countries, we believe that we must adopt a number of measures and policies to effect structural changes in international economic relations and establish a new system that can contribute to the balanced and stable growth of the world economy and particularly, to the accelerated development of the developing countries.

Among the important measures we view as necessary are the following: first, the formulation of specific measures to improve the co-ordination of macro-economic policies on a global level, due account being given to the goals of the

(Mr. Al-Zahawie, Iraq)

socio-economic progress of the developing countries. Secondly, the promotion of international co-operation and the revitalization of its machinery and institutions, including the strengthening of the United Nations role in the economic sphere as a major forum for dialogue and negotiations on questions pertaining to international co-operation for development, and an avoidance of any action that might tend to weaken multilateral economic co-operation, in particular the role of the United Nations and its specialized agencies.

Thirdly, there is a need for broader participation by the developing countries in the world economy, recognizing the fact that the management of the world economy at a time of rapid changes and increasing interdependence calls for agreement on broader bases for identifying the interests of all groups of States and achieving a comprehensive consensus in that regard.

Fourthly, we must bring about tangible improvements in the international economic system, in particular a correction of the major imbalances that exist among the industrialized countries, on the one hand, and, on the other hand, the imbalances that exist between them and other parts of the world, together with an encouragement of non-inflationary, accelerated growth policies.

Relevant to creating a favourable international economic environment is another subject of extreme importance for the developing countries, namely, that the interdependence of economic and political issues in our contemporary world gives sufficient grounds for fearing that most international economic assistance and resources would be directed towards the zone of current changes in Europe and that attempts would be made to solve their problems in parallel with an erosion of interest in the severe economic problems of the developing countries, or even ignoring them altogether. The new international atmosphere of détente and the resultant decrease in the military expenditures of the developed countries opens

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great opportunities for the industrialized nations to allocate part of the newly available resources to assisting European countries, while still helping the developing countries.

Fifthly, revitalization of the North-South dialogue has become a matter of great urgency in assisting the developing countries to overcome their problems and give momentum to their development process. Such resumption of the dialogue would represent an effective contribution to the attempts to tackle international economic problems. However, that would require, first and foremost, political will on the part of the developed countries and recognition that the establishment of a just economic order would secure the mutual interests of all and enhance peace and stability, although it might, at the same time, require some economic sacrifices.

The Heads of State or Government of the members of the Movement of Non-Aligned Countries, at their Ninth Summit Meeting held at Belgrade in September 1989, reaffirmed the importance of science and technology as major factors in the development and restructuring of the world economy and in the achievement of accelerated growth of the developing countries. Nevertheless they expressed their deep concern over the fact that the diffusion of science and technology towards the developing countries did not match the universal significance of those achievements. Rather than narrowing the gap between developed and developing countries, the applications of modern science have contributed to widening that gap.

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The Heads of State and Government emphasized the following, inter alia:

> "... despite intensive efforts made by the non-aligned and other developing countries within the United Nations and other international forums, no significant progress has been made in creating conditions for a more rapid development of science and technology in developing countries, as well as for a faster transfer of scientific and technological achievements to developing countries". (A/44/551, annex, p. 98)

At their Belgrade Conference the Heads of State and Government concluded that

> "... there is a need to stimulate broader international co-operation in science and technology and ...
>
> "it is necessary to initiate a broad discussion on the faster transfer of science and technology to developing countries". (Ibid., p. 99)

The right of the developing countries to acquire science and technology to develop their economies and their industries for peaceful purposes in accordance with their present and future needs is an inalienable right.

The transfer of science and technology to developing countries has not been taking place at the desired level, at the level called for in resolutions adopted in this regard. Furthermore, we are now witnessing dangerous attempts to impede the technological, scientific and industrial capacities of the developing countries and to withhold certain technologies and resources necessary for their progress and development, through the adoption of measures to prevent their importation of technology from developed countries. At the same time, we are witnessing the establishment of groupings of industrialized countries to co-ordinate their policies with a view to ensuring that the transfer of technology to third-world countries is prevented.

(Mr. Al-Zahawie, Iraq)

Iraq in particular is being subjected at the present time to a vicious campaign designed to impede its march towards scientific and industrial development. This campaign is also aimed at paving the way for another act of aggression against the Iraqi scientific and industrial facilities, like the one carried out on 7 June 1981 by Israel against the Iraqi nuclear facilities devoted to peaceful purposes.

Despite the fact that Iraq is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, that its nuclear facilities are under constant international supervision, that it has accepted all the Security Council resolutions aimed at creating peace and stability in the region, Iraq remains the subject of pressure and of unjust and prejudiced campaigns against it. Meanwhile we find that Israel, which carries out repeated acts of aggression against Arab countries, rejects General Assembly and Security Council resolutions and refuses to accede to the Non-Proliferation Treaty, does have access to the sophisticated research programmes of the United States. We find that all doors are opened to Israel so that it can acquire the most modern technology for the development of weapons of mass destruction, including nuclear, chemical and bacteriological weapons.

It is worthy of note that the Security Council, in its resolution 487 (1981), which it adopted unanimously and in which it condemned the Israeli act of aggression, fully recognized

> "the inalienable sovereign right of Iraq and all other States, especially the developing countries, to establish programmes of technological and nuclear development to develop their economy and industry for peaceful purposes in accordance with their present and future needs and consistent with the internationally acccepted objectives of preventing nuclear-weapons proliferation". (Security Council resolution 487 (1981), para. 4)

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In the same resolution, the Council called upon Israel

> "to place its nuclear facilities under the safeguards of the International Atomic Energy Agency". (Ibid., para. 5)

For a number of years now, the General Assembly has been adopting resolutions calling for the establishment of a nuclear-weapon-free zone in the Middle East. Iraq and other Arab States have supported and welcomed those resolutions. But Israel, despite the terms of the Security Council resolution to which I have just referred, continues to refuse to accede to the Non-Proliferation Treaty and to place its facilities under international supervision. Given the lack of any progress in the establishment of a nuclear-weapon-free zone in the Middle East as well as the escalation of tension and the arms race in the region, it has become imperative to reaffirm the prohibition of all weapons of mass destruction, including bacteriological, chemical and nuclear weapons, instead of merely prohibiting the proliferation of one form of such weapons and turning a blind eye to all other forms of weapons of mass destruction, in particular nuclear weapons.

Iraq again expresses its readiness to see the Middle East transformed into a zone free of weapons of mass destruction. That was stated by the President of Iraq, Saddam Hussein, on 12 April 1990 during a meeting with a delegation of the United States Congress, led by Senator Robert Dole. The establishment of such a zone in the Middle East is the only way to put an end to the proliferation of weapons of mass destruction in that region and to ensure its security and stability. Furthermore, that would release huge financial resources, thereby enabling the countries of the region to overcome their economic difficulties, to develop their natural resources and to contribute to the solution of problems affecting the world economy.

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Those countries that wish to reaffirm the prohibition of chemical weapons alone or call for the destruction of such weapons, while excepting nuclear weapons in the region, take an unjust position which ensures that only Israel can acquire weapons of destruction. Those weapons would enable it to persist in its policies of expansion and aggression against the Palestinian and Arab people and to continue to annex occupied Arab territories and expel their population, in defiance of the entire international community, thereby posing a threat to the peace and security of the region and the world.

Before concluding, I wish to refer to the fact that all the Arab economies have been adversely affected by the deterioration in world economic conditions. The extent of such an effect has varied according to the degree of development of their economic structures, their export situation and the measure of their dependence on the outside world. Among the major external factors that have made themselves felt on the economic situation in the Arab world has been the fall in the price of oil, the concomitant drop in oil revenues, the fluctuations in the rates of exchange, the deterioration in the terms of trade and the collapse of commodity prices. As a result of such influences, economic growth was extremely slow in the 1980s compared to the 1970s.

The Arab countries have constantly exerted efforts to adjust to the new world economic situation, with most of them following new approaches to development and carrying out economic reform packages which have included widening the participation of the private sector in development efforts, applying strict public-spending policies and reducing external and internal imbalances.

With regard to economic groupings, there has been a common Arab economic effort to benefit from the privileges which they can offer. I would refer here to the action taken by Iraq, together with Jordan, Egypt and Yemen, in establishing

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the Arab Co-operation Council as a practical step towards the creation of a common market between the States members of the Council, with a view to achieving a common Arab market and Arab economic unity.

Mr. President, I wish you every success.

ADDRESS BY MR. GEORGE VASSILIOU, PRESIDENT OF THE REPUBLIC OF CYPRUS

The PRESIDENT: This afternoon, the Assembly will hear an address by the President of the Republic of Cyprus.

Mr. George Vassiliou, President of the Republic of Cyprus, was escorted into the General Assembly Hall.

President VASSILIOU: It is a lesson of both remote and recent history that economics equals politics, and politics economics. Just as the two fields interact and mutually influence each other, so neither of the two may be fully and effectively addressed without reference to the other.

This fact alone is sufficient to render particularly apt the present special debate on economic issues by the United Nations, the foremost international political organization. On this occasion I should like to congratulate you, Sir, on your election as President of the General Assembly at this special session and express our delight and great satisfaction that at last independent Namibia is occupying its rightful place in the Assembly. The special session is additionally welcome, however, given the magnitude and gravity of the problems relating to growth and development facing the global community at this juncture, which is also a time when the prestige and authority of the United Nations in the political domain is higher than ever.

The world Organization today has both an opportunity and a responsibility to assume a more active role in addressing international economic problems: this session is a positive and praiseworthy step in that direction.

It has been said that the 1980s was a "lost decade" in terms of development for most developing countries in the regions of Africa, Latin America, the Caribbean and Asia. The parameters of the problem are succinctly set out in the report of the Preparatory Committee on the revitalization of economic growth and development of the developing countries. I take this opportunity to congratulate the Chairman of the Preparatory Committee and now Chairman of the Ad Hoc Committee, Ambassador Zepos of Greece, for his constructive work.

The picture is indeed bleak. Sketched briefly, it shows developing countries to have experienced a serious setback in living conditions in the past 10 years relative to the 1960s and 1970s, reflecting a reversal of the trend for faster growth of per capita income in developing countries than in the industrialized nations. Thus, in the 1980s, for developing countries as a whole, real per capita income grew by only 1 per cent, compared to over 2 per cent for the industrialized nations. In particularly hard-hit regions such as sub-Saharan Africa, the last decade saw an even more ominous 3 per cent drop of per capita income in real terms.

Today, about one billion people - one fifth of the world's population - may be defined as absolutely poor. Illiteracy is increasing in many areas, and many parts of the world, in this age of abundance, face the prospect of famine. Life expectancy is dramatically lower in the poorer regions. If one happens to be born today in a developed industrialized country, one may on average expect to outlive the scriptural span of three score and ten years, by another six, to reach the age of 76; if one happens to be born in sub-Saharan Africa, however, one's allotted span will only reach two score and ten, for one will in all likelihood be dead by 50.

To put it yet another way, in the interval between the beginning and the end of my speech, some 550 children around the world will have died of hunger - children who, in a better world than the one which we have so far been able to give them, might have been professionals or labourers or farmers, who might have been statesmen or poets, each contributing in his or her own unique and individual way not only to the prosperity of his or her own country but also to the commonwealth of humankind.

(President Vassiliou)

In so far as children symbolize our common future, there is scarcely another figure so tellingly eloquent in highlighting the fact that the problem of development and the equitable distribution of economic prosperity is a concern common to us all, and not just the problem of the less fortunate among us.

I should like to expand on this point because I believe that while we pay lip-service to the fact that the economic interests of developed countries are, in the long term, inextricably bound with those of the developing nations, we have not fully accepted, either on the level of Governments or on that of public opinion, the key implication that it is to the benefit of the developed nations themselves to help reduce the gap between rich and poor. According to the latest World Bank estimates, official development assistance to the developing nations remained virtually unchanged between the beginning and the end of the 1980s, at around $30 billion at 1987 prices. At the same time, the combined income of the world's high-earning economies during the same period reached record levels, of which development assistance represented a minute fraction. Indeed, donors as a group have fallen dismally short of the 0.7 per cent of GNP assistance target, although there have been notable individual exceptions.

Even more disquieting are the figures showing that by the end of the 1980s there had come about a reversal of the aggregate net transfer of resources between the rich and poor countries. An inflow of $71 billion into the developing countries in 1980 was transformed by 1989 to a net outflow of $8 billion to the developed nations.

Although weaknesses in domestic economic policy applied by individual developing countries may have contributed somewhat to this deterioration, there is no doubt that the chief causes lie in the dramatic decrease in commodity prices, the worsening terms of trade and high interest rates imposed by the developed on

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the developing nations, as the former adopted corrective macro-economic policies designed to protect their own economies from unemployment and inflation.

Not only do the developed nations have an interest in helping the developing countries catch up, but they are also bound by a moral responsibility to do so, extending beyond any formal legal obligation.

The practical implications of abrogating this responsibility are as grave as the moral ones. Developed nations cannot divorce their own continued prosperity from that of the developing world. Sustainable global economic development in the future will depend on the extent to which the economic resources and comparative advantages of all regions, including the developing nations, are efficiently utilized in an integrated manner.

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Moreover, the future impact on the developed world of unchecked poverty and the accompanying ill of uncontrolled demographic growth will be as dramatic and adverse as the impact on the developing world. Richer countries can accommodate only so many waves of immigrants, effectively "economic refugees" from the poorer regions of the world, before reaching themselves an economic and social explosion point. From our own experience in Cyprus we know that the only solution to the drain of human potential from the developing to the developed world is the economic development of the poorer regions. In our particular case, development reversed the flow of Cypriots to countries abroad, enabling many to repatriate. Economic and social instability on a global scale will inescapably mean political instability on a global scale. It would be tragic if the rapidly easing tensions between East and West were to be replaced by escalating economic tensions between North and South as a result of lack of progress towards reducing the development gap.

Furthermore, failure to narrow the gap between rich and poor must spell failure to resolve key problems threatening the foundations of the global community, such as the illegal production and dissemination of drugs and the destruction of the environment. Poverty makes a poor counsellor for either resisting the temptation to make a living from marketing deadly addictive substances or preserving nature when a disregard of its delicate balances means economic survival. Whether our children will inherit decent societies and a decent environment or social and ecological devastation is up to us.

The strategy for tackling the problem of development must be based on a synthesis of national and multilateral action, for neither one can succeed without the other.

On the multilateral level, the need is absolutely urgent for effective measures to tackle the developing countries' $1.3 trillion debt problem,

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understanding at the outset that this is a complex issue requiring diverse and imaginative solutions. For the very poorest countries there is clearly no other way than a total debt write-off. Creditor countries, such as France and Canada, have set commendable examples in this direction with regard to African debtor nations. Just two weeks ago, Canada additionally forgave debts in the Caribbean. United States Secretary of the Treasury Nicholas Brady's debt-forgiveness plan is also a step in the right direction, although as banks opt for bond options rather than new loans, beneficiary developing countries may still end up starved for vital new cash.

One proposal, which I first put forward at the General Assembly's special session on disarmament about two years ago and would like to reiterate today, is that of using a portion of the savings deriving from a reduction in military expenditures by creditor countries to establish a special fund in each country. The fund would then be used to buy back a part or the whole of the debt owed by developing countries to banks at agreed prices reflecting present market values. This would relieve the developing countries' debt burden and, in addition, give them increased access to new loan finance for possible use in development projects. At the same time, the developed creditor countries would themselves benefit as the measures taken would alleviate the pressure on their own banking sector. It is with particular gratification that I have observed that the idea of utilizing savings from disarmament for the benefit of developing countries is gaining ground.

I would also like to note the proposal advanced by WIDER, the United Nations University's World Institute for Development Economics Research, for "interest recycling", that is, the payment of interest due into a local account, the funds from which could then be used by creditors for investment projects of their choosing in the debtor country.

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Debt-relief measures must be accompanied by steps to address the issue of raw-material prices, which is intimately linked to the exacerbation of the debt problem in the 1980s, as well as measures to open up markets to developing countries' products, not only in terms of tariffs but also in terms of quotas and other non-tariff barriers, such as calendar restrictions and rules of origin. The successful finalization of the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT) is an essential step in this direction. This success can be assured only through the opening of international markets to agricultural products and light industrial goods.

Developing countries must also be given the chance to share the benefits of the technological revolution, which will be vital to future economic development. In today's world the most effective vehicles of technology transfer are the multilateral and other high-technology corporations.

To be realistic, we must acknowledge that such corporations are not likely to invest for abstract reasons; they require tangible incentives if they are to contribute to technology transfer either in the developing countries or in restructuring the East European economies now beginning the process of reconstruction.

One incentive which would be immediately effective - and which I would like to propose for consideration - is the provision of domestic tax relief of, say, 50 per cent on any investment by corporations in developing or East European countries. The initial loss of tax income by the investing countries would be more than covered by the increase in business activity in the same countries and the resulting profit returns from the venture.

Here I should like to state briefly that, in my view, the foreign-investment needs of the East European countries are not in competition with those of the traditional developing countries. Indeed, with the right external assistance and domestic policies, the East European countries themselves could soon be a position to help ameliorate, rather than complicate, the problem of the global wealth gap. Indicatively, a study just published forecasts a $38 billion to $76 billion growth in world trade, as a result of the integration of the Soviet and Eastern European economies into the world economic system.

(President Vassiliou)

Considerations of economic development must go hand in hand with considerations of ecological development, and ways found to combine profit with the preservation of the environment. There is only one Earth, and it is humankind's only home. We must preserve the planet or perish. The responsibility for bearing the cost of repairing the damage already done must lie with those mainly responsible for causing that damage, namely the developed nations. The setting up of a global fund for the environment, contributions to which would be proportional to national income, could generate funding for nature conservation.

I mentioned earlier the unacceptably high child mortality rate which poverty imposes on the developing world. At the same time most poor countries face a problem of over-population and its tragic consequences. In addition to increasing direct aid for alleviating shortages of schools, hospitals, housing and so on, developed nations may help through indirect aid designed to develop the human factor, such as increasing the number of university places and scholarships for students from developing countries, and making available more technical advice for the improvement of developing countries' domestic educational systems.

To be effective, multilateral action to tackle the problems of the developing countries must be supported by effective economic policies at the national level. I would like to cite the case of my own country, Cyprus, to make the point. Today the economy of the Republic of Cyprus is thriving despite the economic havoc wreacked by the invasion and occupation of nearly 40 per cent of the country's territory by Turkey in 1974, with high growth rates of the order of 6 per cent per annum, a low annual inflation rate of approximately 3.5 per cent and virtually zero unemployment. We succeeded as a direct result of maintaining an open market economy in a properly functioning democratic environment within which the Government actively encouraged the creative ability of the hardworking and able Cypriot workers and entrepreneurs.

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When Cyprus gained its independence in 1960, the small island Republic, poor in natural resources, had no industry to speak of, while its population was depleted by economic emigration. The first period of industrialization after independence was thus centred on import substitution and was accompanied by calls for protectionism, which the Government met promptly with the introduction of high tariffs. Very quickly, however, over-capacity was created even in initially successful sectors such as the clothing and shoe industries. The situation was saved by the oil boom of the 1970s combined with Cyprus' proximity to the Middle Eastern markets. Cypriot industry then began exporting and prospered.

This experience opened our eyes to the fact that the future lay not in protectionism but in boosting competitiveness so as to expand effectively into the wider international market, and this we proceeded to do with the success I described earlier. However our achievements so far do not allow us to rest on our laurels. In order to survive in the increasingly competitive economic climate of the 1990s and the approaching twenty-first century - and this applies not only to Cyprus - we must take steps to achieve a more robust performance on the international markets. A dynamic private sector is essential to success. However this success will be severely hampered unless the private sector is backed up by an efficient public sector. We must thus take determined action to trim bureaucracy, raise public-sector productivity and slash domestic budget deficits.

In Cyprus the measures we have applied include the signing of a Customs Union Agreement with the European Community and the elaboration of an innovative tax reform package designed to distribute the tax burden more fairly while boosting tax revenue through the reduction of income tax rates combined with the introduction of a value added tax.

(President Vassiliou)

Cyprus' long-term political and economic future can of course only be assured by a just and viable settlement of the problem generated by the continued occupation of over one third of the country by Turkish troops. To this end our side is doing everything possible to assist the Secretary-General in his efforts to bring about the reunification of Cyprus under a federal system of government. Unfortunately these efforts have so far been blocked by the intransigence of the Turkish side. However we will persevere in the firm belief that both the security and the economic prosperity of all Cypriots can only be assured by reunifying Cyprus as a federal republic free of foreign troops, unilateral rights of intervention, settlers and forcibly imposed dividing lines. Such a settlement would particularly benefit the Turkish Cypriots, whose standard of living has fallen far below that of their Greek Cypriot compatriots over the last 16 years.

The funds saved through demilitarization in the context of a settlement could be used for development projects particularly benefiting the Turkish Cypriots. In this connection we have repeatedly proposed from this forum the immediate disbanding of our National Guard combined with the withdrawal of the Turkish forces from Cyprus. I reiterate this proposal today, bearing in mind that in today's world the continued division of Cyprus by foreign troops and the defence build-up needs which this generates are not only unjust but also anachronistic.

I began by welcoming this special session of the General Assembly on development issues. I would like to end by reiterating the need for a broad political dialogue on economic issues and reaffirming the unique importance of the United Nations, demonstrated here this week, in promoting such a dialogue. Aided by the exchange of ideas which this debate has made possible, let us make every effort to work together, not only for fewer swords but more ploughshares for all.

(President Vassiliou)

It is especially important that we realize that the need for concrete action is urgent. The time for words is already past, and the time for deeds must be seized now, or the opportunity to create a more equitable world will be lost. The results of failing to act are too tragic to contemplate; those of acting, too beneficial to all to miss. Let us embark on our task.

The PRESIDENT: On behalf of the General Assembly, I wish to thank the President of the Republic of Cyprus for the important statement he has just made.

Mr. George Vassiliou, President of the Republic of Cyprus, was escorted from the General Assembly Hall.

## AGENDA ITEMS 8 AND 9 (continued)

## GENERAL DEBATE

The PRESIDENT: Before I call on the next speaker, I wish once again to appeal to representatives to do something about the length of statements. Since we started yesterday's meetings, only two speakers have spoken within the time-limit; everyone else has gone far beyond it. This afternoon we have 26 speakers, and it is already 4 p.m. Therefore I appeal to representatives to do whatever they can to save us some time.

Mr. ABDULLE (Somalia): It gives me great pleasure to extend to you, Sir, most sincere felicitations on behalf of the delegation of Somalia, and on my own behalf, on your election as President of the General Assembly at this special session devoted to international development co-operation and to agreement on measures to revitalize the economic growth and development of the developing countries. Global political and economic developments, both positive and negative, and the alarming decline in the quality of life of the majority of the world's population place a special responsibility on the international community to find solutions to the critical problems confronting mankind. Your presidency of the General Assembly at this special session fills us with hope and confidence that we shall succeed in this difficult task.

I also take this opportunity to extend a very warm welcome to the Republic of Namibia as the youngest Member of the United Nations and to assure it of our full support and co-operation. Namibia's independence is the fruitful culmination of

(Mr. Abdulle, Somalia)

decades of efforts and represents an important victory in our struggle against colonialism and apartheid. You, Mr. President, and the Secretary-General, under whose leadership the United Nations has carried out one of its most successful and ambitious operations, deserve our praise and admiration.*

I should also like to express our deep appreciation to the Secretary-General for his thought-provoking statement, in which he so ably captured the sense of challenge that present political and economic developments offer us, as well as the opportunity for decisive action to ensure a better future. We must seize this opportunity and agree on a set of principles and measures that contribute to the economic and social betterment of our people, which, in the final analysis, is the most important objective of economic development.

In his opening statement the Secretary-General observed that for most developing countries the 1980s brought no genuine economic betterment, and the economies of many of those countries stagnated or actually declined. That is particularly evident in the economic situation of the least-developed countries, especially those south of the Sahara, where the quality of life, low as it already was, has declined drastically.

In Africa the average per capita income fell by some 25 per cent during the past decade. Life expectancy is lower than in any other developing region, while infant mortality rates are the highest. The number of people below the poverty line is projected to rise rapidly in the next few years - from 250 million in 1985 to more than 400 million by the end of the century. Millions, mostly children, are already dying of starvation or malnutrition. Desertification and drought, as well as natural disasters, are forcing large numbers of Africans to leave their homes and fields, creating an enormous refugee population. The trend is clearly towards a concentration of poverty. A similar stark outlook also emerges for many parts of Asia and Latin America.

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* Mr. Lohia (Papua New Guinea), Vice-President, took the Chair.

Modern communications and advances in technology have made it possible for millions all over the world to see the vivid images of poverty and death. Now we must utilize technology to ameliorate those problems.

What are the factors that darken the economic prospects of most of the developing countries? In his statement the Secretary-General stressed the importance of sound domestic policies in developing countries, but he also pointed out that they could not succeed in the absence of a favourable international environment. The task of this special session is to evolve a new global consensus not only on the central issues but also on how to resolve them. This session should agree on measures to create an international environment conducive to enhancing multilateral development. Such conditions must include a liberalization of the international trading system, improvements in the terms of trade, commodity-price stabilization, a solution to the crushing debt crisis and, most important, an increased financial flow to developing countries.

Allow me to go into some details concerning the economic situation in Somalia. The agricultural sector continues to be the dominant one; it has to provide most of the country's export earnings. However, natural disasters, adverse external conditions, depressed export markets and insufficient aid flows have combined to make the past few years exceedingly difficult. As a result, our balance-of-payments deficit has reached well over $400 million, while our public debt has increased to $1.8 billion.

Somalia has faced a rapid devaluation, unleashing serious inflationary pressures. Our efforts to promote the private sector and a market-oriented economy have not yet succeeded, because of lack of capital and insufficient credits. Our health-care programmes suffer from lack of logistical support, drugs and trained personnel. Enrolment at the primary level has declined. Youth unemployment is on the increase. Two thirds of the population in Somalia have no access to a safe water supply. Such economic and social problems not only are endemic in Somalia, but are familiar to most of the countries in Africa, and particularly to the least developed countries.

At the international level, the net transfer of resources to the developing countries has been reversed - from a positive flow of $42.6 billion in 1981 to a negative flow of $32.5 billion in 1988. Primary commodity prices have reached their lowest level since the great depression of the 1930s. The foreign debts of developing countries, more than $1.3 trillion, now require nearly $200 billion a year in debt servicing alone.

This special session has been convened to strengthen international development co-operation and to revitalize the growth of developing countries. It is not about international charity. We, the poorest among the developing countries, are asking for recognition that we are one world and that where one of us suffers, no one can thrive. The Group of 77 has clearly identified the strategies that could bring our lagging economic and social systems back to life.

I might add that as one of the poorest, even among the least-developed countries, Somalia faces problems which are seriously exacerbated by a number of external factors. These include an influx of a large number of refugees, placing additional burdens on the already very limited resources. External political pressures and terrorist attacks from outside make it impossible for my Government to ameliorate the conditions of the refugees, as well as of our own population living in the affected areas.

Many of our problems in the developing world have their mirror images in the developed countries. The deterioration of the environment due to poverty in the developing countries affects the developed countries. The marginalization and subsequent social and political destabilization of many developing countries also affect the developed countries. The demographic growth in developing countries and the concomitant competition for natural resources erodes the global environment which is common to the rich and the poor of the world. Our fates are inexorably linked.

In Somalia we are acutely aware of the need for strengthening our domestic policies and developing new approaches to maximize the utilization of our resources, human and material. We intend to exploit our potential export of marine resources and minerals in order to supplement earnings from livestock and agriculture. We intend to examine the viability of existing public enterprises and to encourage a more efficient utilization of our financial and other resources, develop realistic monetary and fiscal policies and carry out a comprehensive civil service reform.

The Government of Somalia realizes, however, that economic reforms alone may not solve all its problems. It has therefore embarked on a process of opening up the political environment through measures to democratize its political system. It has recently introduced a multi-party system and has adopted other measures to enhance respect for human rights. At the same time, Somalia has also taken a number of initiatives to establish conditions of peace and stability in the Horn of Africa. We believe that a combination of political and economic domestic reforms and of regional peace and stability will greatly facilitate our efforts to improve the economic and social conditions of our people.

None of these efforts will be of much avail unless we can count on the support and co-operation of the developed countries. Unless measures are taken to address the debt crisis, unless the unrealistic and harsh demands for adjustment policies are softened and humanized, unless the terms of trade are modified to allow for improved prices on commodities, and unless the flow of net resources from the poor to the rich is reversed, we will fail in our own efforts. In this regard, we especially welcome the appointment of Mr. Bettino Craxi as the Secretary-General's Special Representative for the debt crisis.

The decision of the international community to convene this special session is a timely opportunity to address these complex issues, which have serious

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(Mr. Abdulle, Somalia)

consequences for the future of mankind. But as we look for solutions to persistent problems, new ones present themselves. My Government is particularly concerned over what appears to be a new form of conditionality for international co-operation that is beginning to manifest itself with uncomfortable frequency. No country can have greater concern for the economic, social and fundamental rights of the people of Somalia than its own Government. No country or organization can better understand these problems than the people of Somalia themselveds. As I have said earlier, the Government of Somalia is fully committed to doing everything to improve the quality of life of its people. It is a matter of deep regret that instead of receiving support for these efforts, we often find that the process is impeded through the denial of much-needed reources or through lack of improvements in international conditions on account of political considerations or because of differences over economic philosophies. These actions only serve to jeopardize the lives of the entire population.

In an interdependent world, we need to narrow these differences, but justice demands that we should respect varying views and approaches to the solution of common problems. We hope that the special session will strengthen multilateralism. We hope that countries in a position to affect the course and pace of development and the efforts to improve the quality of life of people the world over will agree on a positive approach towards complementing these efforts. We need the support of the world community to support ourselves. We count on this special session as the turning-point in our fortunes.

Mr. JAYA (Brunei Darussalam): On behalf of my delegation, I should like sincerely to congratulate Ambassador Garba of Nigeria on his unanimous election as President of the General Assembly at this special session. I am sure that under his wise guidance the session will be constructive and achieve productive results.

(Mr. Jaya, Brunei Darussalam)

May I also, on behalf of the Government of His Majesty the Sultan and Yang Di Pertuan of Brunei Darussalam, take this opportunity to extend our warmest congratulations to the Republic of Namibia on its admission to the United Nations. Although the Republic is new to the world body, my delegation believes that it, too, can play a prominent and active role in further enhancing the effectiveness of the United Nations.

The Chairman of the Group of 77, Mr. Enrique García, Minister of Planning and Co-ordination of Bolivia, has highlighted the concerns of the Group on the issues the session will be addressing. My delegation fully associates itself with those concerns.

We are meeting today at a propitious moment to demonstrate to the world that we have the political determination necessary to reactivate the dialogue between the developing and the developed countries and to manifest a new spirit of international economic co-operation. My delegation sincerely believes that this dialogue will be serious, meaningful and constructive. It is therefore essential that we should take a new approach, one based on recognition of the great economic transformation the world has experienced. The session will also provide an opportunity to arrive at a common understanding of the economic and social priorities for development in this decade and a consensus among all countries to meet the challenges of the 1990s in a spirit of multilateralism.

(Mr. Jaya, Brunei Darussalam)

Economic problems become global when their solutions cannot be achieved within the boundaries of States. When thinking about global economic problems, most people experience a profound sense of frustration because of the persistent failure to implement seemingly obvious measures that would dramatically increase the level of world economic order. Since the solutions to so many global economic problems seem to bring mutual benefits to developed and developing countries alike, the failure to implement the necessary changes often seems inexplicable.

We live in a world in which interdependence between developed and developing countries exists. The international movement of goods, capital and people has globalized markets, made breakthroughs in technology and revolutionized information. That has caused shifts in international economic relations and the development process. Only through integrated and co-operative efforts will the problems that we are facing today be minimized. In order to sustain world economic growth and ensure that the benefits are shared more broadly among nations and people, we have no alternative but to work together to promote a high quality of growth.

It is therefore imperative for the developed countries to intensify the transfer of scientific and technological knowledge to developing countries. That will ensure that the developing countries will be able to develop their endogenous capacity further in all fields, including industrial and agricultural production and services.

A clear example of our interdependence is the debt crisis that has haunted not only the debtor countries but the creditors as well. It is taking longer than anticipated to solve the debt crisis. The tasks confronting the low-income developing countries are indeed daunting. What is required is a sustained and strong effort by all concerned and, above all, a lasting commitment to revitalize the economies of those developing countries that are considered to have serious debt problems, with a view to making them more productive. In order to achieve that objective, those developing countries need not only generous assistance on concessional terms from the donor countries and the mutlilateral agencies but also debt-relief arrangements. My delegation appreciates the bold steps taken by the Group of Seven at the Toronto summit in its efforts to bring about debt-relief options.

In the maintenance of an open and durable multilateral trading system, the specific requirements of the developing countries need to be taken into account. That can be done in accordance with the principles governing the Punta del Este declaration and the Uruguay Round negotiations. An open multilateral trading system is essential for preventing the further degradation of the multilateral trading system through the resort to unilateral and bilateral measures. In that context, it is therefore relevant for me to quote the Secretary-General when he states in his report to the General Assembly:

> "The immediate objective must be to prevent any further deterioration in the trading system and to arrest the slide towards bilateralism, ad hoc protectionism and the erosion of multilaterally agreed norms".

(A/AC.233/5, p.24)

In order to reactivate the growth and development of the developing countries, improvement of the people's living standards must also be addressed. Economic policies should have as their main objective the betterment of the human condition and the enhancement of the contribution of human resources in economic activities.

My delegation believes that the strengthening of international economic co-operation does require an important and effective role for multilateral institutions and mechanisms such as the United Nations and its related agencies. This Organization is a unique forum in which the community of nations can address all issues in a comprehensive and integrated manner.

(Mr. Jaya, Brunei Darussalam)

Our united determination to work urgently for the establishment of a new international development strategy based on equity, sovereign equality, interdependence, common interests and co-operation among States, irrespective of their economic and social systems, which will correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and developing countries and ensure steadily accelerating economic and social development, peace and justice for present and future generations. My delegation believes that the long-term interests of developed and developing countries are mutually compatible on this fast-shrinking planet of ours. But that mutuality of interests must be established on viable new concepts of creative partnership, not on old patterns of dependency but on a more dynamic view of future interdependence.

The United Nations has the capacity to play a role in setting the political guidelines for the revitalization of economic growth and development, especially in the elaboration of the new international development strategy for the fourth United Nations Development Decade. My delegation hopes that through the deliberations of the special session, further enhancement of the opportunities for a fruitful global dialogue can lead all nations to a common pursuit, in a co-operative spirit, for a better world for all of us.

Mr. OBURE (Kenya): My delegation is delighted to see an illustrious son of Africa preside over the eighteenth special session of the General Assembly. We congratulate him.

We would also like to congratulate the Republic of Namibia on its admission to the United Nations. It has been a long and bloody struggle indeed for Namibia to win its independence. Kenya joins the international community in pledging its support in building a new and vibrant Namibia.

(Mr. Obure, Kenya)

The decade of the 1980s will be remembered for the fundamental changes in the economic, social and political spheres. The human condition is deteriorating and must be improved. The increasing deterioration of the environment and threats to the future of the environment must be reversed, and action taken to improve and save the environment for future generations. The relaxation of tensions on the global political scene resulting from the replacement of super-Power confrontations with co-operation and dialogue has ushered in an era of peace and prospects for diverting resources from excessive military expenditure to development. The rapid and dramatic reforms in Eastern Europe will eventually integrate those countries into the world economy. The integration of the European Community into a common market will bring changes in the global economy. The emergence of Japan as a world economic Power has brought a needed redistribution of the concentration of global commercial and financial centres. The rapid increase in population growth, exceeding economic growth in developing countries, presents serious problems for development efforts and the environment.

It is against the background of all those continuing changes that the holding of the special session at this time marks a historically important turning-point in international economic relations among nations.

The problems confronting us in the world economy have been clearly identified and documented from numerous sources and are well known to all of us. In his report, the Secretary-General has correctly pointed out that

> "The negative trends in the world economy... are likely to persist in the years ahead unless decisive remedial steps are taken promptly, both nationally and internationally". (A/AC.233/5, p.14)

(Mr. Obure, Kenya)

Solutions to the world economic problems are, however, within reach of the international community through co-operation. What is urgently needed is the political will to take decisive action. The challenge before us has been clearly spelled out in the annex to General Assembly decision 43/460. That decision states that the special session devoted to international economic co-operation, and in particular to the revitalization of economic growth and development of the developing countries, must "endeavour to embody new approaches and reflect a new spirit in international co-operation" to ensure that global economic growth is sustained and that its benefits are shared more broadly among countries and peoples.

During the decade of the 1980s that has just ended growth in the world economy was both below its potential and slower than in the two previous decades. Growth was erratic over time and even among countries, a phenomenon that partly explains the source of the inability of the world economy to realize its full potential. The slow performance and uneven distribution of growth also reduced the attention given to human-needs aspects, thereby affecting development in many countries.

The developed market economies had a seven-year, uninterrupted period of economic growth, the longest and most sustained in recent years. The unprecedented long economic expansion experienced by developed market-economy countries in the latter part of the decade was largely a result of the fiscal and monetary policies they pursued. That, however, also resulted in the appearance of large external imbalances among and within those countries, triggering unusually large fluctuations in exchange rates, interest rates and prices. While such policies contributed to stimulating and increasing growth in the developed countries, the external imbalances created have become an important feature contributing to the problems of the world's economic and financial system. To strengthen the foundations for long-term growth and development, there is a greater need now than ever before for urgent action to be taken to reduce the huge imbalances effectively.

(Mr. Obure, Kenya)

The then socialist-based economies of East European countries registered modest growth in the 1980s. The economies of those countries remained largely separated from the world economic system and its swings during most of the decade. During that period those countries experienced shortages of technology for production and management efficiency. Their trade policies were marked by isolation from the rest of the world and shielded them from the risks of competition in the open world market. Combined with their other public-sector-dominated policies, the pressure for structural transformation grew, followed by the rapid and far-reaching eruption of sweeping political and economic changes at the very end of the decade and the opening of new challenges and opportunities for the 1990s.

Those countries have received unprecedentedly prompt and huge support in the form of financial-aid flows, access to market and technology and investment-creating opportunities from the developed market-based economies. That should enable the East European countries to decentralize and modernize their economies, improve technology and integrate faster into the world's commercial and financial establishment. They need the support of the international community in their efforts to improve the well-being of their people and to become more involved in world economic activity and its development.

Economic growth and the process of development in the rest of the world, apart from a few exceptional countries in Asia, has been a disappointing and frustrating effort and experience. In the 1980s developing countries experienced prolonged declining economic growth. The declining trend in the 1980s has reached far below the situation in the 1970s, when output was increasing. The worsening situation is further compounded by the fact that population in most of the countries affected is increasing at a faster rate than economic growth, thereby drastically reducing the ability to invest in efficient use of resources, both human and material, for

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development. As the Secretary-General notes in his report:

> "The track pattern in the developing countries is apparently becoming firmly entrenched with no major change anticipated during the next few years if present economic trends and policies continue." (A/AC.233/5, p. 7)

Action must be taken to improve the functioning of the world economy and allow developing countries to play their role and, as the Secretary-General rightly emphasizes:

> "The economic difficulties of the majority of developing countries in the 1980s have been too widespread and the afflicted countries too diverse for the retrogression to be ascribed merely to poor domestic policy or random shocks to individual countries." (*ibid.*)

The efforts in developing countries in the realization of the potentiality of resources, including human, are caught in a mass of interrelated and reinforcing problems in the international scene. The complex problems arising from declining prices of commodities, high interest rates, the debt crisis, erratic exchange rates and the consequent net transfer of resources from developing countries have adversely affected economic growth and development. In developed countries also, increased protectionism coupled with rising exhorbitant prices of imports and the resultant decline in investment have cumulatively combined and persisted and have put many developing countries in a situation from which they are unable to extricate themselves. The deficiencies in domestic economic management in developing countries have also been compounded.

The economic problems facing developing countries have been accompanied by increasing inability to invest in the human aspects of development and in gross under-utilization of human resources. Unemployment and under-employment have reached record levels. The difficulties facing developing countries have been

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further compounded by a slow-down in technology transfer and adaptation, which is much needed in improving production capacities.

The urgent need for international co-operation for action on the environment has become increasingly accepted. The scientific evidence on the present and future threats posed by environmental degradation through pollution, desertification and deforestation and the consequences for the future of the planet and future generations have caused increasing concern world-wide. Most of the risks cause havoc across national boundaries. Others, such as the destruction of the ozone layer, are global in scope, and even those considered geographically limited in their direct impact have global repercussions.

The concern about environmental degradation, now internationally shared, has its roots, appropriately, in the industrialized developed countries. It is in those countries that the most worrisome dangers, such as the level of carbon dioxide in the atmosphere or the concentration of chlorofluorocarbons, originate. They are largely the consequences of the past and present production and consumption activities in pursuit of growth and development. Excessive growth and affluence was achieved through the neglect of environmental costs of economic activity. While present and future generations in those countries may enjoy correspondingly higher living standards the legacy of accumulated costs is distributed world-wide.

Such threats to the environment as desertification and deforestation are primarily to be found in developing countries, and their underlying cause is proverty rather than affluence. During this prolonged period of declining economic fortunes in particular poor people and poor countries are preoccupied with the immediate and overriding problems of subsistence.

But we have only one environment. There is need for greater co-operation and involvement of all in efforts to save the environment. In developing countries the

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elimination of poverty and the strengthening of capabilities for efficient activities in production would enhance the environment. The revitalization of economic growth and development in developing countries is a sine qua non for maintaining the physical environment and possibly reversing the deterioration caused by earlier generations.

We live in a world that has become increasingly interdependent. The global dimension added to national activities imposes additional constraints and some opportunities. Governments have responded by adjusting their domestic macro-economic policies with the objectives of increasing efficiency. Solutions to the world economic problems, however, need a strengthened international co-operation based on longer-term perspectives than at present.

The problems facing African countries and the situation in Africa as a whole are particularly disturbing. The unyielding economic crisis facing the continent has been summed up by the President of the World Bank, who stated that:

> "Africa's continuing economic crisis presents an extraordinary challenge to the development community, to both intellectuals and policy makers."

On the efforts being undertaken by the African countries, he noted that:

> "Most African countries are now embarked on comprehensive programmes of economic adjustment. The nature of these programmes has evolved significantly as we have all learned from our experiences and mistakes. We have come to appreciate that fundamental structural change is needed to transform African economies and make them competitive in an increasingly competitive world. The adjustment efforts must be continued and the reforms broadened and deepened. The journey will be long and difficult, and special measures are needed to alleviate poverty and protect the vulnerable."

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In recognition of the efforts being undertaken by the African countries as they struggle against the overwhelming crisis, the General Assembly in June 1986 adopted the United Nations Programme of Action for African Economic Recovery and Development. The Programme embodied a commitment made by the African countries to rededicate themselves to programmes of economic development and structural reforms and a commitment by the international community to support those efforts. As the Secretary-General points out:

> "Soon ... it became apparent that [the] implementation [of the Programme] was seriously handicapped by external financial constraints and that the economic stagnation and decline of many African countries was continuing."
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> (A/AC.233/5 and Corr.1, p. 10)

The response of creditor and donor Governments was, however, commendable in showing increasing flexibility in negotiations with African countries, and in particular in the agreement reached during the Toronto summit conference of the major industrial countries.

Progress will be achieved in Africa. Africa has the resources in its people and its material. Much, however, has to be done to put these resources into efficient productivity. The World Bank believes that, compared with the region's past performance, a target of at least 4 to 5 per cent in the annual growth of the economies of sub-Saharan Africa would be needed to achieve food security, provide employment and register a modest improvement in the living standards of the people, which would in turn stimulate and accelerate growth and development. There is no single formula to achieve progress.

African economies and their potentials are diverse. The complex problems facing these economies must be approached comprehensively and on a long-term basis. Among other important efforts, the second industrial development decade for Africa, declared by the General Assembly during its forty-fourth session recently, and the transport and communications decade need full support for effective implementation.

Since independence in 1963 Kenya has continued to pursue an open economy that takes full advantage of the opportunities available in the world market. Kenya's basic economic philosophy has been to create a mixed economy in which the private and public sectors play complementary roles. The basic approach of the Government of Kenya is to use broad fiscal, monetary and pricing policies to ensure a healthy economy in which the private sector can flourish. The Government of Kenya recognizes the crucial feature that all investors - large and small, domestic and foreign - must be able to make attractive profits while directly contributing to broad-based development.

The economic performance of Kenya since the mid-1980s has been more satisfactory than in the first half of the decade. Between 1984 and 1988 the gross domestic product in real terms grew at an annual average rate of 5.1 per cent. Kenya's economy rests firmly on the pillar of agriculture, which accounts for over one third of the gross domestic product and approximately two thirds of exports. Agriculture is supplemented by three other major income-generating sectors - manufacturing, commerce, and tourism - which collectively account for an additional one quarter of the gross domestic product. A fifth important sector is government services, accounting for approximately 17 per cent of the gross domestic product.

The second oil shock during the 1979 to 1980 period worsened the terms of trade. This situation was exacerbated by the decline in coffee and tea prices as well as a fall in export volume. The global recession and the poor weather of the 1980s worsened the overall balance of payments situation between 1983 and 1984. The external-debt service charges have grown enormously, from 8.64 million Kenya pounds in 1974 to 254.38 million Kenya pounds in 1986. Service charges in 1987 on external public and publicly guaranteed debt represented 37 per cent of the total

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value of exports of foods and non-factor services. For the growth of the economy to be stimulated and sustained, the issue of external-debt servicing must be addressed.

Lack of much-needed foreign exchange earnings constitutes a constraint on development efforts. In a nutshell, Kenya's economic growth has become the primary emphasis of economic policy, and the gross domestic product has shown an average growth rate of 4 per cent a year for the last five years despite the impact of world-wide recession. It is favourably noted that the rate of inflation has been kept below 10 per cent per annum over the same period. The key aim of Kenya's development strategy is efficient utilization of scarce resources. The Government will therefore require the private sector to participate in the provision of some of the services such as education and health on a cost-sharing basis.

The increasing interdependence of countries and the complexity of the interrelations of the component parts make international economic co-operation essential and the need for its enhancement important and urgent. The objective of the enhanced co-operation should be to achieve sustained world economic growth and fairness in the distribution of the benefits.

To achieve this, a new spirit and solidarity must be injected into international relations. Commitments are needed from Member countries. The success of such a process wil have as a prerequisite the revitalization of economic growth in developing countries.

The revitalization of economic growth and the development of developing countries require that the necessary measures be taken for the improvement of the international economic environment. There will be need for agreement to be reached on actions to be implemented to correct the problems that led to stagnation, and in some cases decline, in the economic performance of developing countries in the

1980s. There will also be need to agree on actions to be taken to put these economies on a stable growth path, taking into account the changes that are taking place.

The strengthening of international economic co-operation will require a more effective role for multilateral institutions and mechanisms. As the unique forum in which the community of nations can address all issues, we look forward to the successful convening of UNCTAD VIII in 1991, the Conference on Environment and Development in 1992 and the Conference on population in 1994.

This special session is devoted to increasing international economic co-operation for the benefit of all. Kenya believes strongly that the spirit of co-operation by all should prevail during our undertakings in future.

Mr. AL-SHAKAR (Bahrain) (interpretation from Arabic): First, I wish to express to Ambassador Joseph Garba our sincere congratulations on his election to preside over the eighteenth special session of the General Assembly. The exceptional skill and wisdom that have characterized his presidency of the forty-fourth session and the two special sessions of the Assembly are the best guarantee that this special session will achieve satisfactory and successful results, results commensurate with the aspirations and hopes of the international community.

I also associate myself with previous speakers in warmly welcoming the admission of the Republic of Namibia to membership of the United Nations. On behalf of Bahrain, I congratulate the Namibian people on the independence which they won as the culmination of their heroic struggle. This constitutes a triumph of the principles of freedom and justice, achieved with the constant support and assistance of the United Nations.

(Mr. Al-Shakar, Bahrain)

It is fortunate that the General Assembly has been convened in this special session devoted to international economic co-operation, and in particular to the revitalization of the economic growth and development of the developing countries, against the backdrop of international developments and changes marked by the widening of détente and worldwide rapprochement, as well as changes in the economic and political balance of forces.*

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* Mr. Ali (Sudan), Vice-President, took the Chair.

(Mr. Al-Shakar, Bahrain)

During 1989 and the beginning of this year, the international arena has witnessed a rapid succession of dramatic political developments that have led to the relaxation of relations between the super-Powers and to radical changes in the political structure of Eastern Europe. The 1980s saw the emergence of regional economic groupings, most notably the process taking place within the European Economic Community. That group is moving steadily and vigorously towards an economically united Europe by 1992, with all the economic implications of that process, the echoes of which will reverberate throughout the 1990s.

We hope that the new transformations taking place in the world will usher in a new era with positive results for the world economy and, particularly, give new momentum to international co-operation for development, thus creating just, equitable and balanced relations between North and South based on a principled approach and common interests. Such relations would aim at strengthening the bonds of interdependence and co-operation among countries to confront the challenges facing them in various fields.

The world economy, and especially the economies of the developing countries, have suffered a marked decline in the rate of growth during the 1980s. Data indicate that the majority of developing countries registered a slump in their rate of growth and per capita income during that decade. This was due mainly to external factors and to various internal factors that can be traced back to the deflationary fiscal and monetary policies pursued by the industrialized countries, to natural disasters, drought and desertification, to regional conflicts, to the huge deficit in the United States balance of payments, to fluctuations in exchange rates and the rise in interest rates to unprecedented levels, to the sharp decline in commodity prices, including oil, and, lastly, to the intensification of the discriminatory and protectionist policies pursued by the industrialized nations.

(Mr. Al-Shakar, Bahrain)

Those policies and factors led to the deterioration of the terms of trade of the developing countries, to a decline in their export earnings, to larger deficits in their balance of payments, to an aggravation of the burden of their foreign debt and debt servicing, as well as to a rise in their rates of inflation. Such consequences forced the developing countries to adopt deflationary and austerity policies and resort to international financial markets for borrowing at exorbitant costs.

It is no exaggeration to say that, for the developing countries, the 1980s represent years of economic setbacks, and have been described as a decade lost for development. The sharp deterioration in the external economic environment led the developing countries to pursue structural adjustment policies that were characterized mainly by a net flow of their resources to the developed countries, a reduction of their investments and the curtailment of public expenditure on development projects, including resources allocated to health, education, training, housing and other social services. This, in turn, had a direct and acute effect on welfare and employment in the developing countries, which placed Governments and societies in many developing countries before difficult choices. It also had an adverse effect on the development of technological capabilities in the majority of those countries, thereby widening the technological gap and the discrepancy in living standards between the North and the South.

It should be pointed out that in the current international economic conditions there is a tendency on the part of the industrialized countries to link the provision of aid to the developing countries to bringing about reforms and changes in the political and economic systems of those countries. This will create social and political challenges for the developing countries in the decade ahead and will affect various aspects of their public life, creating new obstacles that are no less serious than the economic challenges they face today: hence the growing

(Mr. Al-Shakar, Bahrain)

importance of the role that should be played by the United Nations, the specialized agencies and the international financial institutions, in considering and addressing these questions and in participating in their solution, both quantitatively and qualitatively, during the 1990s in order to promote growth and development in the developing countries.

Poverty and backwardness are the major ailments of this era. Either the international community eradicates misery, starvation and poverty by the end of the 1990s through a fair distribution of the world's resources among its population, or the level of poverty and starvation will escalate dramatically and dangerously. The paradox of 30 per cent of the world's population having more than 85 per cent of the world's income can no longer be tolerated in a world which is moving day by day towards greater interdependence among its component parts, while the greatest population explosion will have occurred by the year 2000.

The developing countries in West Asia, including the States members of the Arab Gulf Co-operation Council, have to various degrees been faced with the same problems that beset most developing countries. These problems are due to the adverse international economic environment, in the wake of the sharp decline in oil revenues which resulted from the oil marketing crisis and the fall in prices stemming from the policies and measures planned by the industrialized countries since the 1970s. The oil exporting Arab States in the Gulf were thus forced to adopt austerity measures that called for a reconsideration of their development plans. Also, their economic growth rates registered a large decline, as did the overall growth of their gross national product and their gross domestic product. Their balance of payments and their budgets thus registered successive deficits, thereby weakening the position of those countries as aid donors to continue to provide assistance to the developing countries. Unless oil revenues improve, spending on socio-economic development projects will continue to be cut. This will lead to an aggravation of the economic stalemate in those countries in the 1990s.

The problem of foreign debt emerged as a major international concern during the 1980s, amounting to more than $1.1 trillion by 1989. The rise of interest rates in the international financial markets has led to higher interest outstanding on debts, which has further weakened the ability of developing countries to repay these debts. The situation could threaten to collapse the very foundations of the international financial and monetary system.

As a result, it has become universally acknowledged that there exists a vital need for a comprehensive international strategy to cope with the crisis of foreign debt, since the current international initiatives in this regard have not yielded decisive results. Experience leaves no doubt that any effective solution of the crisis requires both the debtor and creditor Governments to participate in negotiations.

During the 1980s, countries recognized, collectively and individually, the urgent need for international co-operation towards the adoption of prompt and concerted action to prevent an ecological disaster, preserve life on Earth and to seek to put an end to those activities and factors that aggravate the degradation of the environment. Since the universality of this danger is an indisputable fact, international co-operation can contribute greatly towards averting the threats to the environment. The international community's realization of the magnitude of these hazards in calling for the convening, in 1992, of a United Nations conference on the environment and development comes as an important, positive step in the right direction.

The link between disarmament and development has become universally acknowledged. There is no doubt that the relaxation of tension between East and West and the mutual desire to reduce military expenditures on the part of the two super-Powers and rival blocs will open up possibilities for the channelling of resources from military expenditures to socio-economic development. The success of such a process will no doubt release financial resources that can contribute to the development of the developing countries.

All indications suggest a continued slow-down in the world economy in the 1990s, unless effective measures are taken promptly to correct its course and remedy its chronic imbalances. If the slow-down persists, it will undoubtedly sustain the decline in the economic growth of the developing countries and result

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in a more acute stalemate that will threaten international economic stability as a whole. Moreover, socio-economic indicators for the decade ahead suggest that prospects are weak for improvement in the economies of the developing countries unless international measures are taken to alleviate the burden of their external debts, increase their financial inflows, expand markets for their exports, facilitate the transfer of technology to them and create a more favourable international economic environment.

Of course, such measures require the introduction of significant modifications in the current economic policies and concepts governing international trade and monetary and financial questions. Simultaneous and parallel actions to solve both long- and short-term problems afflicting the developing countries must also be adopted to help them contribute actively to the world economy. This will be possible only through the initiation of global negotiations between North and South, within the framework of the United Nations as the appropriate forum for the promotion of international economic co-operation and interdependence for socio-economic development.

We entertain the hope that the industrialized countries will hold serious negotiations with the developing nations in a spirit of mutual benefit and co-operation to achieve the successful outcome of this special session, especially since we live in an interdependent world in which no country or group of countries can exist in isolation from the effects of dislocations and disturbances, wherever they may be. For their part, the developing countries have once more reiterated their sincere commitment to the solution of socio-economic problems through international co-operation, in accordance with the Charter, and through the implementation of a new international development strategy for the fourth United Nations development decade, to be adopted at the forthcoming forty-fifth session of the General Assembly.

(Mr. Al-Shakar, Bahrain)

We have every hope that at its current session the General Assembly will succeed in obtaining a universal undertaking on the part of developed and developing countries to encourage international co-operation that is conducive to the adoption of effective co-operative measures in such interrelated fields as currency, finance, trade, external debt and development with a view to enabling the developing countries to contribute to civilization's march towards prosperity and progress under a just and equitable economic order.

Mr. SEDOC (Suriname): On behalf of the Government and the people of the Republic of Suriname, I should like to extend to Mr. Garba our fraternal congratulations on his assumption of the presidency of the General Assembly at its eighteenth special session.

I feel particularly gratified to welcome most cordially the Republic of Namibia. This young African State, which was born as a result of a long, heroic struggle against colonialism, waged a hard-fought battle for its independence, territorial integrity and sovereignty. My Government extends to its delegation present here its sincere wishes for success.

I take this opportunity also to pay tribute to the Secretary-General and all those who have contributed to and supported the independence of Namibia.

The convening of this session is an appropriate occasion to consider some relevant global problems of an increasingly interdependent world economy and will certainly enable us not only to reflect on but also to try to outline effective ways and means of revitalizing economic growth and development, in particular in the developing countries.

During the last few years many processes of change have manifested themselves, *inter alia*, in the field of disarmament, and political and economic reform in different parts of the world. Specifically, the determined move towards economic integration in Western Europe has in fact contribute to reshaping what has come to

(Mr. Sedoc, Suriname)

be called East-West relations. Consequently, a reorientation of economic and socio-political ties is taking place and the structures and objectives of existing frameworks for providing economic and financial assistance are being re-examined.

(Mr. Sedoc, Suriname)

These developments, together with the new industrial potential of some young States in Asia, have placed the development process in the context of a rapidly changing world scene. And although new prospects and opportunities for economic co-operation have opened up, imbalances and uncertainties still exist between the industrialized and the developing countries. which necessitates a greater understanding so that the different development concerns can be resolved.

As previous speakers have observed, for most developing countries the 1980s were a pervasive setback to development and were characterized by contrasting progress and decline, threats and opportunities, hopes and frustrations.

It has already become a commonplace, but it is nevertheless true that the score of the developing countries has been affected, one way or the other, by high inflation, monetary instability, environmental concerns, commodity price fluctuations, protectionism and other problems. It is also true that several developing countries have adopted sound and realistic macro-economic policies, but their ability to stay on the course of policy reform they have undertaken is contingent, in part, on developments in the world economy. And as one cannot compound economic hardship by unrealistically imposing adjustment measures, there is obviously a definite need for concretely calculated programmes that deal with all aspects, including remedial actions that redress, or at least mitigate, negative consequences of those adjustments.

Suriname has embarked on such a programme, and it appreciates the assistance rendered by the European Community.

According to recent studies of our Organization, the continuation of present global economic trends and policies will increase the existing gap between the countries with relatively healthy economic growth and those on the path of apparently continuous decline.

The negative trends in the world economy are very likely to persist, unless deliberate steps are taken promptly. As has been noted before, the new tendencies and realities of the world economy have brought about a rethinking of present policies at both the national and the international levels. Specifically, the interdependence of States and the growing world economy greatly complicate the appraisal and management of national economic policies. The interrelationships among trade, debt, investment, capital flows, interest rates and other factors necessitates national economic policies being formulated and calculated with a global perspective. But in a fluid international environment, in which the influence of external factors cannot appropriately be projected, one will be left with the problem of the evaluation of development scenarios.

Under these circumstances, our Organization is an instrument that can contribute to a consensus on reaching a comprehensive strategy geared towards a multidimensional approach that fosters stronger regional integration while taking into account the specific interest of national States in the commodity markets.

Having said that, we do realize that in order to reach such a consensus, developed and developing countries have to agree, in a spirit of shared responsibility, on a set of measures aimed at creating institutional reforms, including, eventually, the reorganization and rationalization of already existing international, regional and subregional institutions - reforms that will allow us to deal more effectively with fundamental problems such as hunger, malnutrition and poverty in many parts of the world; the protection of the environment, including corrective measures for serious polluters and controlled management of the world's natural resources; the creation of regional and subregional economic entities based on a strategy of comprehensive complementarity and the enhancement of collective self-reliance; stabilization and growth opportunities for export earnings - in this

(Mr. Sedoc, Suriname)

respect we optimistically look forward to the further operations of the Common Fund - and finally redress of net capital outflows as a consequence of balance-of-payment problems which have been aggravated by the debt problem.

In an age in which technological advances are occurring at breathtaking speed, we see that the gap in productive capacity between the developing and industrialized countries is still rapidly widening. This phenomenon is particularly distressing in the light of the fact that in order to become competitive in the world economy the developing countreis should have access to science and technology.

The entire question of market access is at the heart of the Uruguay Round, but seen in the context of the progress made so far, a concerted political effort will be needed to achieve better results. We sincerely hope that negotiations in areas such as intellectual property, investment and services can be concluded successfully so that the ability of the developing countries to gain better access to technology can be improved.

Sustainable development and the protection and enhancement of the global environment have come to the forefront of concerns at both national and international levels. A number of environmental challenges such as the efficient use of resources, the availability of technology on acceptable terms and conditions have to be met.

An improved world economic environment, including revitalized growth, can contribute to the long-term improvement of our environment. In a regional forum, Surinam has voiced its concerns in this field within the framework of the co-operation of the Amazonian countries. I refer here to the Declaration of Manaus of 6 May 1989 by the Presidents of the Amazonian countries and the sixth Ministerial Meeting held in March 1989 in Brasilia. My delegation therefore welcomes the forthcoming discussions on this matter in the Preparatory Commission for the World Conference, in 1992 in Brazil.

(Mr. Sedoc, Suriname)

This special session has enabled us to discuss and examine the premises on which our international economic relations are built. With the passage of time, we have seen old assumptions erode, and new ones are required, based on today's realities.

We cherish the hope that a new development consensus can be reached geared towards the strengthening and enhancing of international economic co-operation and multilateralism, as well as the unique role of the United Nations as a universal forum for economic dialogue and co-operation.

Mr. PIREK (Czechoslovakia): I wish on behalf of the delegation of the Czech and Slovak Federal Republic to congratulate the President on his election and to express my conviction that under his wise guidance our deliberations will result in fruitful conclusions. I should also like to extend my delegation's thanks to the Preparatory Committee of the Whole and to its Chairman, Mr. Zepos, for their work, which in our view constitutes a good basis upon which this eighteenth special session of the General Assembly may build.

We congratulate the Republic of Namibia on its admission as a Member State of the United Nations. This is a truly historic event, and we should like to express our appreciation of the role played by the United Nations in the process that has led to Namibia's independence. My country has always supported the efforts of the Namibian people to achieve freedom and independence and is ready to develop all-round co-operation with the young Namibian State.

(Mr. Pirek, Czechoslovakia)

We are meeting here at a time of sweeping change on the world political and economic scene, a change influenced significantly by the development of integration processes in various parts of the world, by progress in disarmament negotiations and by the settlement of regional conflicts. An essential component of this change is the development of pluralistic political systems and a modern market-oriented economy in Central and Eastern Europe and in a number of developing countries.

The experience of the 1980s and the beginning of the present decade confirms the increasing importance of economic factors in shaping dominant trends in contemporary international relations. The increasing globalization of the world economy and the growing interdependence of national economies require a more intensive search for new, and often non-traditional, forms of concerted international action. That is the only effective way to meet the global challenges to mankind. We therefore welcome the consideration by this authoritative forum of the political framework and the principles of international co-operation within the world community, aimed at invigorating economic growth and development on a world-wide basis, with particular regard to the needs of developing countries. We consider solving the pressing social and economic problems of those countries to be one of the key issues of the present time. Taking due account of the realities of today's world, the President of the Czech and Slovak Federal Republic, Mr. Václav Havel, raised at his recent meetings with the leaders of Poland and Hungary in Bratislava the issue of shared responsibility for the future development of the countries of the third world.

The current fundamental changes in our society, aimed at creating a pluralistic parliamentary democracy and a modern, market-oriented economy, provide the essential prerequisites for a new stage in our relations with the developing countries. The economic laws recently enacted and those under preparation will make it possible to demonopolize and decentralize our economy and to open it up to the world. These steps are designed to increase efficiency and flexibility and to achieve full integration with the world economy. We also seek to facilitate the attainment of this goal by joining the relevant international monetary and financial institutions. We are convinced that this approach will help expand our economic relations with all groups of countries. And, in fact, an important part of those relations will be our co-operation with developing countries. We wish to reverse a long-term negative trend reflected by a declining share of developing countries in the total volume of our foreign trade. We wish to make our co-operation with the countries of the developing world more effective, with a view to contributing to the solution of the specific problems of social and economic development in those countries.

The internal developments now under way in Central and Eastern Europe are an important and integral part of the current process of profound transformation in the world. It is only natural that great attention should be paid to them by the international community. The steps being taken by those countries towards early integration into the world economy are guided by a desire both to strengthen their own economic potential and to contribute to world-wide economic growth as well as to balanced development. Such is the extent of the change taking place that understanding and joint efforts by the international community will be required to come to grips with the problems involved. In this respect we appreciate the conclusions of the Conference on Economic Co-operation in Europe, recently held in Bonn, which help create a favourable international environment in support of the reforms in the countries of Central and Eastern Europe.

As far as my country is concerned, I should like to underline that its present transition from a rigid, centrally planned economy to a market-oriented one

(Mr. Pirek, Czechoslovakia)

pursues, above all, medium-term and long-term development objectives. It is in this spirit that we hope both to meet the aspirations of Czechs and Slovaks and to take an active part in the solution of global economic problems, including those of the developing world.

Every country should first rely on its own capacity to deal with its economic situation. We believe that for developing countries, whose social and economic problems we are considering here, foreign assistance cannot be regarded as a panacea. Rather, it is a supplementary factor which should stimulate the developing countries' own efforts to revitalize their development. Moreover, it cannot be effective unless the countries receiving such assistance pursue an appropriate national economic policy, which, in turn, requires that emphasis be laid on the mobilization of human resources, on the integration of the human factor in adjustment programmes and on respect for the environmental aspects of development.

The generation of a favourable international economic environment is an important prerequisite for the implementation of the development strategy of developing countries and for their integration into the international division of labour.

The developed countries have a special responsibility in this respect. The specific nature of the problems confronting the developing countries must be taken into account if a sound policy aimed at constant development is to be pursued in the field of international economic relations. Increased attention in this regard must be paid to the economically least developed countries.

The solution to the problems of developing countries, especially to those of external indebtedness, as to other global problems, requires first and foremost an intensification of international economic co-operation and an improvement in the efficiency of the multilateral economic system established after the Second World

War. This also applies to the economic activities of the United Nations and its specialized agencies. While not wishing to underestimate the achievements of the United Nations system in dealing with economic issues, we believe that it should respond in an appropriate and flexible manner to the ongoing changes in the social and economic, as well as in the scientific and technological, fields. We believe that it is necessary to direct the Organization's activities primarily towards increased participation in the development of international economic relations, including harmonization of the process of economic integration in the various regions of the world.

In the interest of further strengthening multilateral economic co-operation, my country fully endorsed the proposal by the Group of 77 to hold this special session of the General Assembly and participated actively in its preparation. We believe that, with the constructive approach of all delegations, our deliberations will help to establish a new foundation for international economic co-operation in a framework in which both national and world economic problems can be more easily resolved. The achievement of greater predictability, stability and transparency in the world economy, and of increased co-ordination in the field of macroeconomic policy, requires, in our view, the application of qualitatively new forms of co-operation free of any artificial barriers erected by the ideology of intolerance.

We feel that the current special session should set a framework for action to be taken by the international community in the 1990s to cope with the most urgent global economic problems and to address issues influencing economic growth and development throughout the world. This framework would be determined according to the nature of the problems to be dealt with by future international conferences held under United Nations auspices. Therefore, we favour the adoption of a readable action-oriented final document which would reflect this view. It should respond to the prevailing development tendencies in today's world and have a topical political appeal to both developed and developing countries, thereby stimulating the development of international economic co-operation. It should underscore the exceptional role of the United Nations as a universal forum for the solution to international economic questions as regards, in particular, the integration of national economies into the world economy, the development of multilateralism in economic relations, the complementary character of national economic policies and their linkage with international decisions.

We believe that the session will give a new, strong impulse to the revitalization of international economic co-operation. Let us do our best to rise to this unique opportunity.

Mr. EJIGU (Ethiopia): This important session is marked by a historic event of great significance which has ushered in a new era for both Namibians and the United Nations. We are delighted to see independent Namibia assume its rightful place in the community of sovereign nations as the 160th Member of our Organization. For us Ethiopians, who have had the privilege of being associated from the beginning with the question of Namibia and its struggle on the diplomatic front, this is a proud moment that fills us with great joy. On behalf of the Government and the people of Ethiopia, it gives me great pleasure to congratulate the brotherly people of Namibia on this happy and historic occasion. Let me also seize the opportunity to pay a tribute to the Secretary-General and the staff of the Organization for their invaluable contributions that made this historic moment a reality.

This special session of the General Assembly is convened at an exceptional time. It takes place, on the one hand, at a time when we are observing a visible relaxation of tension between East and West, stirring great hope and optimism about a new era of world peace, stability, co-operation and development. On the other hand, we also meet at a time when the world economy presents an image of deep contrasts, unevenness and sharp asymmetry - of growth and decline, of new opportunities and worsening problems, and of great hopes and frustrations. The noticeable bifurcation of the world into areas of dynamism and stagnation, growth and retrogression poses a serious challenge. If allowed to continue it generates social conflicts and political instability undermining the newly kindled hope and aspiration for world peace and stability.

For us in Africa who have witnessed all but economic disintegration for much of the 1980s, this special session could not have come at a better time. The need for revitalizing or reactivating the engine of growth and thus development is the real issue that must stand at the forefront of the international agenda. We trust that this landmark session will help to renew and strengthen the commitment of the international community to the United Nations ideal of a world in which, as interdependent parts of the whole, we should endeavour to make it a better and livable place.

The last decade, compared to the 1960s and the 1970s, has been characterized by declining growth rates; greater instability in foreign exchanges and interest rates and growing economic disparity both between the industrially developed

(Mr. Ejigu, Ethiopia)

economies and developing economies and between different groups of countries which constitute the latter. Moreover, technological changes governing both input use and capital flows have adversely affected the demand for primary commodity exports of developing countries. The 1980s have, therefore, resulted in a sustained fall in export earnings of several developing countries. The fall in export revenue, combined with high rates of interest in the world market, has fuelled the rapid increase in developing-country debts, with the result that the debt burden has become all but crippling for a large majority of the developing world. A lamentable indicator of this economic albatross is the fact that net financial transfers to developing economies have either trickled to a halt, in the case of even multilateral agencies, or actually turned negative in the case of commercial sources.

Experts may debate the precise magnitude of the growth and imbalances in world trade in the 1980s; of the exact impact of instability in interest rates or of fluctuations in major world currencies on investment decisions in a specific group of countries or even in any one country. They may dispute the significance of any one factor, such as falling terms of trade for primary commodity exporters or movements in the real exchange rate, on the growth performance of developing economies, but the overall conclusion that the 1980s have spelled economic decline combined with greater variability of production and consumption for the vast majority of countries in the developing world is quite inescapable. The wheels of economic growth moved slower and slower through the 1980s. They made the poor even poorer, and widened the already substantial economic disparities in the world economy.

An aspect of the economic trends of the 1980s on which there is absolutely no dispute, however, is the fact that Africa, below the Sahara, has emerged from the

1980s as the least developed and economically the most vulnerable part of the globe. Africa has indeed taken a sustained economic beating in the 1980s and enters the 1990s in a state of extreme vulnerability. It is today a fragile continent which can scarcely benefit from cheerful exhortations of the virtues of international competitiveness. It needs assistance to recover from both the acute stochastic shocks, and at times domestic economic mismanagement of the last decade, before it can appreciate and benefit from new opportunities for trade and development in the 1990s.

The harsh experience of the 1980s has nevertheless had one important and beneficial effect. It has changed the way people now think about development. The remedy for the economic ills of much of Africa should no longer be viewed only in terms of a swift and significant dose of devaluation and deflation regardless of the impact on people's lives. Today, ideas on development are approaching a steady convergence, though at times painful. While it is important for developing economies to "adjust" their production structures in the light of changes in world trade flows, such an economic transformation needs considerable time and large volumes of external assistance. In addition, it requires an economic vision for the 1990s that goes beyond slogans.*

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* Mrs. Castro de Barish (Costa Rica), Vice-President, took the Chair.

(Mr. Ejigu, Ethiopia)

The experience of the 1980s has led to a re-examination of the perceptions and practices of everyone involved in the development effort - Government, donor agencies and private organizations alike. Let us not forget that, during the tumultuous years of the 1980s, it was not only Governments in Africa that changed their policies and perspectives but also major multilateral institutions. The recent focus on the long-term structural constraints on development - such as population growth, human-resource development, environmental rehabilitation, food security and appropriate technology - is not a hasty leap into the void but a result of a slow, painstaking review and reconsideration of simple but reassuringly certain, earlier-held views on development. The 1980s taught us all a little humility in the sense that all possible alternatives and approaches have had to be re-examined in the light of fresh problems and the need to broaden the basis of development.

First, there is an unquestioned need to take a comprehensive approach to the problem of the economic regeneration of developing economies. The most fundamental concept with regard to economic growth in those societies is that growth must be sustainable, that it should not be a fitful or intermittent process open to fortuitous international prices or swings of weather but an accretionary advance towards enlarging domestic productive capacity and improving resource allocation. However, as has been known since the early post-war years, to enter into the virtuous spiral of self-sustaining growth requires a minimum set of interlocking and complementary economic activities that can be acquired only by a determined diversification of the production base. That, in turn, requires the raising of investment ratios to over 25 per cent of gross domestic product, a pre-condition that is currently being met by several newly industrializing economies but not by a single economy in sub-Saharan Africa.

(Mr. Ejigu, Ethiopia)

The idea of some critical minimum threshold of investment as a sine qua non of sustainable economic growth is absolutely crucial to our understanding of growth processes in developing economies, since it provides a convincing explanation of why several countries have performed well for a few years, only to face increasingly severe foreign-exchange or inflation barriers.

The critical minimum-investment threshold can be met, among other things, by a substantial expansion of foreign-aid flows, the rescheduling or the writing-off of past debt, improvements in domestic project-planning capacity and the creation of better opportunities for private investment as a means of inducing a greater volume of savings from peasant and household enterprises. Much greater economic resources must be devoted to increasing the momentum of growth in the future.

Secondly, the principle of economic justice must be accepted not only in the design and implementation of domestic economic policy but also in the conduct of international commerce. If special value is to be attached to the welfare of the poor in relation to other sections of society in the allocation of domestic resources, the same principle should not be allowed to disintegrate in a Hobbesian state of war in the international arena. Poor people everywhere have special needs and disabilities, and developing economies have a larger proportion of poor than other societies. Special programmes of assistance designed to meet basic minimum needs, a significant increase of aid flows towards the least developed countries from the donor community, special preference schemes designed to ensure market access for developing-country exports to the developed economies, the inclusion of agricultural commodities in the scheme of the General Agreement on Tariffs and Trade, and a halt to dumping and other unfair trading practices towards developing economies are important elements in the view that, along with the notion of human rights, the idea of growth with economic justice must permeate the formulation of international economic policy.

(Mr. Ejigu, Ethiopia)

Thirdly, we must all share a common concern for the environment. Even if all countries cannot be expected to make a commensurate financial contribution to the correction of environmental imbalances because of prevalent income disparities, it would be foolish not to recognize not only that environmental damage is an unjust legacy to future generations but also that it knows no national boundaries. Moreover, the link between population growth, food security and certain forms of environmental damage must also be squarely faced. It is not only industrial pollution that damages the environment. Rapid depletion of forests, encroaching desertification and increasing vulnerability to drought and famine are equally important to the maintenance of a sound ecological balance and should be treated with equal seriousness.

Fourthly, the developing world must share in the technological revolution that will govern the scope and pattern of commodity production in the next century. In the 1970s, scientific and technological issues ranked high on the agenda of the development dialogue of developing countries. With the ascendancy of stabilization programmes in the 1980s, however, they have increasingly been relegated to the background. Developing countries should be not the innocent victims of labour-displacing technology or of product substitution; they should be the interested participants in tailoring new technologies to the needs of social welfare and production growth. It is our considered view that these four principles constitute the entire arena of development policy for the 1990s.

Like many other countries in Africa, Ethiopia also faced severe economic problems in the second half of the 1980s. Those years unleashed recurrent drought with long recovery periods, falling foreign-exchange reserves, adverse terms of trade, fluctuating production levels, and growing internal strife. The inevitable result has been a widening resource gap as domestic savings have trailed behind realized investment. Despite a creditable record of monetary restraint, revenue

(Mr. Ejigu, Ethiopia)

generation and the provision of basic social welfare facilities, by the end of the 1980s it was becoming increasingly apparent that a serious reassessment of the Ethiopian experience was in order.

A detailed evaluation of Ethiopian economic policy that was begun almost four years ago resulted in a series of measures designed to raise investment levels significantly. The new policy enables public enterprises to operate on the principles of competitiveness and profitability. In brief, the 1990s should witness a larger role for the private sector in the national development effort, a more efficient public sector, and a series of new initiatives to overcome long-term structural constraints. A number of special national programmes on food security, disaster preparedness, employment generation, conservation and population are being finalized, so that long-gestation projects are not pushed into the background by short-run crisis-management concerns. As a country with an exceptionally low level of per capita official development assistance, we need donor support in raising the flow of highly concessionary resources, in the rescheduling of bilateral debts and in the conversion of loans into grants.

In the 1990s, ways must be found to allow developing countries generally, and the least developed countries in particular, to share in the technological advance and economic growth to which we all look forward. Economic justice must not end up as yet another development cliché. The convergence of ideas that is bringing the world together contains at its core the notion of human-centred development. It is our common duty to ensure that national interest does not abrogate our wider responsibilities to the rest of mankind.

Mr. BIZIMUNGU (Rwanda) (interpretation from French): The delegation of Rwanda is pleased to extend congratulations to the President of the General Assembly on his election to guide this important special session devoted to international economic co-operation and especially to the revitalization of economic growth and development in the developing countries. The work, and particularly the conclusions, of the forty-fourth session of the General Assembly and the last two special sessions, devoted respectively to apartheid and to the drug problem, confirm our belief that under his presidency the special session too will have a successful outcome.

I cannot begin my statement without expressing the joy, pleasure and pride the Government and people of Rwanda felt on 21 March of this year, Namibian Independence Day. On behalf of the Government and people of Rwanda, joined in the National Revolutionary Movement for Development, I should like here to congratulate the Republic of Namibia on its recent accession to independence, gained after such bitter struggle, and to congratulate it too on its unanimous admission as the one hundred sixtieth State Member of the United Nations. Let me take this opportunity to offer my warm congratulations to the first President of independent Namibia, His Excellency Mr. Sam Nujoma, and to the valiant Namibian people on their heroic struggle to gain the independence and freedom usurped and kept from them for so long by South Africa.

I should also like to express sincere thanks to all who worked unrelentingly, whether in close involvement or from a distance, to achieve this important and historic event, the independence of Namibia.

Nor can I fail to express the joy felt by the Government and people of Rwanda on 11 February of this year, the day when Nelson Mandela, his head held high, walked out of Paarl Prison in South Africa. On that day the whole of Africa and

(Mr. Bizimungu, Rwanda)

the entire world were virtually delirious with joy at the historic liberation of this longest-held and most famous prisoner, a man who had spent 27 years, six months and six days in South African gaols.

The independence of Namibia and the release of Nelson Mandela are two events that, in political terms, will change the course of history in southern Africa. The projected talks between President Frederik de Klerk and the African National Congress of South Africa (ANC) must lead to the eradication of the hateful system of apartheid and the establishment of a democratic multilateral society based on equality of all races without discrimination of any sort. We thus heartily urge the South African Government to proceed speedily to adopt all the reforms needed to achieve that objective.

Today's world is in the midst of profound changes, as can be seen from the continuing movement towards democracy throughout the globe, and in particular in Eastern Europe. Only yesterday, who could have imagined the crumbling of the Berlin Wall? Now, however, it has happened, and it has happened thanks to the will and determination of the German people to put an end to what was an absurd and anachronistic situation. My country, Rwanda, cannot but rejoice at seeing the forthcoming reunification of the two Germanys, which is a position we have always maintained in international forums.

Although gains have been made in the political sphere, there is still serious malaise in the economic sphere. All countries, and the developing countries in particular, continue to suffer from the effects of the persistent crisis, which is caused by various well-known factors that affect the world economy, inter alia the collapse of commodity prices, deterioration of the terms of trade, growing protectionism, the net transfer of resources from South to North and the serious problem of external debt. Notwithstanding the major efforts and sacrifices that

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have been made to lay the bases for self-sustained development, all those factors combined have, to various degrees, had a severe impact on the already fragile economies of the developing countries. Thus most of the developing countries, and the African countries in particular, have been unable to come to grips with the underlying reasons for the steady worsening of poverty, hunger and malnutrition, the growing foreign-debt burden, the drop in commodity prices and the decline in the financial resources needed to stimulate growth and development.

Of all those problems, the debt problem remains of greatest concern to the developing countries. We must therefore encourage recent initiatives designed to reduce the volume of principal and debt-servicing of the developing countries and to find measures for debt relief, which represent a forward step and an important contribution to the fight against the debt crisis. In that connection, my country supported General Assembly resolution 44/205 on the debt problem, which urged all parties concerned to continue their efforts in pursuit of a durable, equitable, and growth-oriented and development-oriented solution to the debt problems of developing countries.

We therefore call once again upon the industrialized countries and international financial institutions to show goodwill and realism in their debt policies and to help break once and for all the deadlock in the economic situation that is strangling the countries of the South.

Another problem, no less serious, concerns commodities, whose prices on the international market continue to fall, with concommitant harmful effects on the economic growth of the developing countries. It is absolutely essential to diversify the commodities economy in the developing countries and to involve those countries more closely in the processing, marketing and distribution of such products.

(Mr. Bizimungu, Rwanda)

Two years after the adoption of the Final Act of the seventh United Nations Conference on Trade and Development (UNCTAD VII), and in spite of the entry into force of the Agreement to create a common fund for commodities, there is still serious cause for concern. Indeed, it seems highly unlikely that the rules of the game will change to allow producer countries access to the remunerative earnings derived therefrom for the financing of their development.

(Mr. Bizimungu, Rwanda)

My delegation sees a need for more active international co-operation in the commodities trade, particularly within the framework of the generalized system of trade preferences among the developing countries. That would give those countries a real chance of breaking out of the marginal status to which they have so far been confined and of becoming players in a competition that seems destined to become much tougher with the foreseeable formation of economic blocs within the international trade system.

The economic difficulties that are overwhelming the African continent have become a source of worldwide concern. The African countries have watched helplessly as the living conditions of their people have declined at an ever-accelerating pace, while their people have been confronting the scourges of poverty, famine, malnutrition, ignorance and a diversity of other woes - and it is not possible for me now to list all of them.

The hopes aroused by the unanimous and enthusiastic adoption of the United Nations Programme of Action for African Economic Recovery and Development have been thwarted because of the unsatisfactory implementation of the partnership contract linking Africa to the rest of the world. The mid-term review and appraisal of the Programme of Action has demonstrated that the serious economic difficulties experienced by the African countries remain largely unsolved, and that in most cases they have become even more alarming.

The severe sacrifices made by the African Governments within the framework of structural adjustment programmes have not been adequately rewarded, because in the majority of cases these programmes have not achieved the envisaged objectives. Indeed, with their principal objective of restoring short-term financial balance, those programmes have completely overshadowed the development and transformation

(Mr. Bizimungu, Rwanda)

objectives, such as food self-sufficiency, a reduction of poverty, sustained growth and collective autonomy. They have also neglected the human factor and the social dimension of development.

In order to offset this imbalance, the Organization of African Unity last year adopted the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation - known by its acronym, CARPAS. This framework provides us with an instrument for a constructive dialogue with Africa's development partners and should help in the preparation of national programmes capable of providing for self-sustaining and equitable development. The international community as well as the multilateral financing and development institutions are urged to give their support to CARPAS, particularly in the form of heightened flows of resources.

The special situation of the least developed countries, including Rwanda, continues to be a source of grave concern to the international community by virtue of the continuing deterioration of their socio-economic situation, characterized by very low economic growth and by very inadequate progress in terms of development, resulting in a persistent decline in per capita income.

So far as my country, Rwanda, is concerned, things are hardly better than anywhere else. My country is at present in a very precarious situation so far as food supply is concerned. Short-term factors such as local droughts or torrential rains have ravaged the soil, and these factors, together with hail and new plant diseases, have played a major part in creating the present critical situation. Together with that, there are other major constraints such as the decline in arable land and over-farming, leading to a gradual exhaustion of the soil - not to speak of demographic pressures. That is why the most severely affected regions of the country are those which have the highest concentration of inhabitants per square kilometre.

The Government of Rwanda has not remained idle in this situation. The President of the Republic, His Excellency Major General Juvénal Habyarimana, personally visited the regions and population groups stricken by these woes. After these visits, the Head of State took a number of important measures and decisions to meet the most urgent needs of the stricken population groups and to set up machinery capable of providing a lasting solution to the problem. The Rwandan people as a whole has been mobilized to make the best use of the national resources in order to reach optimal production levels - the guarantee of the success of any food self-sufficiency policy.

On behalf of the Government of Rwanda, I extend my sincere thanks to the friendly countries and international organizations that have provided or promised assistance for the stricken population groups.

Rwanda, like other developing countries, is coping with an unprecedented economic crisis. That is why the Central Committee of the National Revolutionary Movement for Development and the Government, at their joint meeting last December, adopted a large-scale programme for endogenous economic recovery based on macro- and micro-economic measures (to be carried out in the short, medium and long term). The remedial measures we have prepared involve in particular the reduction of public outlays on the one hand and an increase in State earnings on the other. These measures were the subject of broad consultation of the people and enjoy a national consensus at all levels.

However, our country is not able to carry out this large-scale programme on its own. That is why Rwanda must combine its efforts with those of the international community and bilateral sources of funds. In that context, my country intends to engage in talks with the Bretton Woods agencies, on the basis of a working document which we have drawn up and which has been endorsed by the beneficiary - the people of Rwanda.

My country looks forward to the second United Nations Conference on the Least Developed Countries, to be held in September in Paris. That Conference will carry out a comprehensive review of the New Substantial Programme of Action and will draw up, for adoption, policies and measures designed to accelerate the development process of the least developed countries in the 1990s. These policies and measures should be based on mutual obligations and on the commitment by the international community and the least developed countries themselves to create an environment conducive to self-sustaining recovery and development. This is also true of the international development strategy for the fourth United Nations development decade, whose purpose and objective is the promotion of the development of the developing countries within the context of strengthened world development.

We also believe that the new international development strategy should focus on precise development themes of an urgent nature, to enable the international community to respond effectively to the challenges of the 1990s. To that end, we must identify the main obstacles to the revitalization of economic growth and development and, in particular, we must succeed in eliminating those obstacles.

The present special session's task, among others, is to break the deadlock and relaunch the North-South dialogue in order to make a new start in international economic relations through a more dynamic type of co-operation. The success of this special session will depend in large measure on its ability to mobilize the political will of all States to work together to achieve the objectives set for it and to obtain a universal consensus on the problems impeding the development of the developing countries.

Article 55 of the United Nations Charter clearly defines the role of our Organization in the promotion of international economic and social co-operation. At a time when the economic situation of the developing countries is deteriorating at a disturbing rate, the United Nations bears the primary responsibility for the promotion of the development of those countries. The United Nations is required now more than ever before to promote and foster more just international co-operation in all spheres, on the basis of the sovereign equality of States. My country believes deeply in our Organization and in its ability to solve the problems of our time. In this connection, allow me to pay a heartfelt tribute to the Secretary-General, Mr. Javier Perez de Cuellar, for his tireless efforts in the service of the Organization and humanity, efforts designed to find appropriate solutions to the complex problems of our world. My Government greatly values his dynamism and his efficiency, which have won the Organization many successes.

Let us hope that this special session of the General Assembly will usher in a new era in international economic relations so that the 1990s may be a decade of the economic recovery and revitalization of the developing countries, and so that all peoples may celebrate the advent of the twenty-first century in a climate of peace and security and may enjoy a quality of life worthy of the human species.

Mr. PITARKA (Albania): On behalf of the Government and the people of the People's Socialist Republic of Albania, I wish to extend our warmest welcome and congratulations to the Government, the people and the delegation of the Republic of Namibia on the happy occasion of its accession to membership of the United Nations. The admission of the new State of Namibia to the United Nations represents the culmination of the long and heroic struggle of the Namibian people against colonial oppression and discrimination.

I should also like, on behalf of the delegation of the People's Socialist Republic of Albania, to salute the initiative of the developing countries to convene the General Assembly in this special session, which is devoted to so important an issue for the world community, namely, international economic co-operation and, in particular, the revitalization of economic growth and development of the developing countries.

Furthermore, I should like to extend high praise to the Secretary-General of the United Nations, Mr. Javier Perez de Cuellar, for enlightening us on this vital issue by presenting an extensive report on the global economic situation in the 1980s, which also includes information and a perspective on the problems to be tackled in the 1990s for the promotion and strengthening of international economic co-operation.

The 1980s were years of further intensification of the processes related to the extensive and intensive spread of the international division of labour, with the ever-growing impact of the technical-scientific revolution, communications, computerization and standardization which, considered in their entirety, stand for long-term and profound processes on a world scale.

This tendency brought to the fore the need to increase economic relations and co-operation along efficient and contemporary lines on bilateral and multilateral bases between countries and among various regions of the world. Likewise, the

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increasing interplay of the economic processes with the political, social, ecological and demographic developments in every country has become ever more prominent. On a world scale in particular, there is an interdependence of national and international efforts to stabilize the world economy in its totality and to revitalize the economy of the developing countries.

The 1980s were at the same time characterized by a deepening of the imbalances among the various regions and countries of the world, particularly between North and South, by a widening of the gap between the revenues of the developed countries and those of the developing countries, and by a further increase in the heavy burden of the foreign debt of the developing countries, which exceeded $1,300 billion. That decade also saw a deterioration in the standard of living, which at present finds expression in the fact that 145 million children under the age of five suffer from malnutrition and 800 million people live in conditions of abject poverty. Differences have deepened even among the industrialized countries.

The foreign-debt problem, which in recent years has become extremely serious, still remains unsolved. In general, debt servicing accounts for an average of 27.5 per cent of the exports for the year 1989, whereas it took up to 40 per cent of the exports of Latin America and the Caribbean countries. This is evidence of the fact that a good part of the capital created in the developing countries is destined to go back to the industrially developed countries, instead of being used for the growth and development of the economies of the developing countries.

Furthermore, debts continue to generate a multitude of difficulties for the development of the world economy as a whole. They indirectly keep the market of raw materials under pressure and reduce the chances for the revitalization of the economies of the developing countries, for the reallocation of resources in those countries, for the fight against inflation, and so forth. The main industrialized countries have turned to macro-economic development as a means to attain their goals. Financial organs such as the World Bank and the International Monetary Fund no longer provide significant financial transfers to the developing countries. With this background, the worse consequences are suffered by the developing countries, whose efforts to improve their economic and financial performance have failed to produce the desired results.

The adverse effects of the decline in investments have been reflected in the decrease of both industrial output and farm production, notably as regards cereals. Stocks have been reduced to the level of the year 1970.

The increase of the volume of world trade has represented one of the most positive trends in recent years, as indicated mainly by the fact that trade has expanded more than has the total volume of production. However, this positive trend of international trade has also experienced its ups and downs. Trade exchange is still far from "liberalization" and being freed from protectionism and the numerous tariff and non-tariff constraints.

Meanwhile, the foreign trade of the developing countries continues to be very dependent on a series of negative factors, which are more of a long-term than of a conjunctural nature. It is conditioned by the long-term tendencies that dominate the market of natural resources. Those tendencies caused the prices of natural resources, which are variable with respect to the consuming needs of the industrialized countries, to be constantly at the mercy of the consumers, and the main consequence of a decline in demand manifests itself in the continuous weakening of trade conditions experienced by the developing countries, which in turn only accentuates the debt crisis.

It is equally paradoxical, and a source of bitterness, that the very billions made by exploiting the natural resources of the developing countries should go to

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the financing of the manufacture of armaments, and the arms sale then closes the cycle, in this way absorbing the financial means of the countries that need development the most.

There is at present increasing talk about restructuring the world economy, which is being carried out, in certain ways, only partially. Restructuring must bring about a better distribution of resources, capital and investment and, above all, the transfer of technology, know-how and information.

The danger exists for the creation of a situation which would obstruct and make difficult, even impossible, co-operation between the developing countries and the industrialized countries. This would cause a break in the links of the chain of the world economy, accompanied by an inability of the developing countries to adapt, because of the impossibility to transfer technologies and know-how, the serious problems of environmental pollution, unemployment and the migration of populations. Hence, their grave economic situation would be prolonged, along with the worsening of other related problems.

The balance with which we are entering the new decade renders even more pressing the need for international co-operation. It has rightly been pointed out that development depends on national and international efforts and on the collective responsibility to see to it that three-quarters of the world is also given a chance for development.

The relaxation of political tension is an important factor in overcoming the problems the passage of time has created for this last decade of the twentieth century. However, the relaxation of tension should not characterize relations between the two super-Powers or those among the most developed countries alone. This détente should not leave out the majority and should at the same time be a global economic détente.

Peace, security and international development are in essence indivisible. There cannot be genuine peace and security in a certain part or region of the world, not even in the industrialized North, when in the other countries and regions there is a persistence of tension and armed conflict, when the South - which includes entire regions and countries of Africa, Asia and Latin America - suffers the consequences of underdevelopment and is forced to cope with extreme poverty, hunger, epidemics and so on.

True détente requires the democratization and fair adjustment of international economic relations and of the means and mechanisms governing them. This is a legitimate and pressing demand, especially of the developing countries, for economic revitalization and growth. The contrary would damage the interests of us all; the growth and normal development of the world economy in its entirety would also be damaged. In this understanding we share the legitimate concern of the Secretary-General, expressed in his report:

> "The world economy at the end of the 1980s presents a picture of sharp contrasts - of progress and decline, threats and opportunities, hopes and frustrations. The numerous elements of strength in the world economy should make it easier to deal with the elements of weakness, in particular to break the vicious circle of stagnation in which many developing countries have been caught. The relaxation in world political tensions should also facilitate international economic co-operation and make it possible to tackle the global

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environmental problems which loom large over the future of the entire world." (A/AC.233/5, p. 20)

Although the economy of the People's Socialist Republic of Albania is developing in an international environment that has not always been favourable, it has continued to make progress also in 1989. Compared to 1988, there was an increase in social production, national and real *per capita* income and in industrial and agricultural production. The development of the economy has created a more stabilized market and further improved supply to meet demand. Its positive effects have been felt also in the social aspect, where employment opportunities have increased, housing conditions improved, and so on.

Much still remains to be done as regards the further development of the country. We are searching for and applying new ways and criteria of planning and development that harmonize centralism with initiative and autonomy from below. We are searching for better ways of economic management, payment and incentiveness in order to mobilize the country's material and human capacities and harmonize the objective and subjective factors conducive to a more complete expression of freedoms and rights and the enhancement of democracy in general.

In order to cope with the problems that time gives rise to and development creates, it is necessary to summon up both the inner objective and subjective elements and to develop fruitful international co-operation as well. In this capacity, Albania has been and remains interested in the further promotion of international relations and co-operation. It has concluded and carried out agreements on economic, trade, industrial and technical-scientific co-operation with a number of countries in the Balkans and Europe.

Furthermore, Albania is deeply engaged in the process of Balkan co-operation which, in the circumstances of actual and future developments, constitutes an important and valuable factor not only on the regional level but also beyond.

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Albania wishes to see confrontation in Europe replaced by overall co-operation. This is in the interest of all. It must be a free and democratic co-operation that excludes pressures and conditions which prejudge the economic and political development of various countries, resulting in turn in a new confrontation under different circumstances.

In conclusion, the Albanian delegation wishes to reiterate that it attaches great importance to the proceedings of this session in the belief that an open discussion of the problems and a direct approach to the realities aimed at redressing and improving them would serve the purpose of this session and justify the hopes of the international community.

Mr. JOSEPH (Antigua and Barbuda): Allow me on behalf of my delegation to offer our congratulations to Mr. Garba on his unanimous election to preside over the General Assembly at its eighteenth special session. I am confident that he will continue to guide our deliberations with the same diligence and skill he manifested during the forty-fourth session of the General Assembly.

Allow me also to state how happy the Government and the people of Antigua and Barbuda are at seeing the Republic of Namibia taking its rightful place in the United Nations. We commend the Government and the people of Namibia on their efforts in the cause of justice and freedom, and we are most confident that Namibia will contribute much to the continued development of our entire global society.

Namibia's presence here today is a persuasive testimonial of what is possible when the international community collectively and relentlessly pursues the ideals of freedom and democracy. Moreover, the democratization and independence of Namibia should serve as a further reminder of the challenge ahead for all countries individually and collectively to persist in the noble fight for freedom, individual liberty and democracy for all. We take note of the situation in South Africa where, regrettably, the system of *apartheid* is still firmly entrenched.

(Mr. Joseph, Antigua and Barbuda)

When the Group of 77 proposed the holding of a special session almost two years ago, ominous signs were already pointing to a deterioration of the economies of the developing countries. The debt crisis had accelerated the transfer of massive quantities of financial resources to the developed world from many developing countries of the southern hemisphere; trade imbalances highly favoured the developed countries, and deepening social crises further exacerbated tensions in many nations in the developing world. The prognosis for the final decade of the twentieth century was gloomy. This special session devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries, could not have come at a more propitious moment. If the trend of the 1980s is to be reversed, the world community must pursue a well-thought-out and agreed-upon agenda that takes into account the concerns of all. This special session allows the concerns of every nation to be addressed and, one hopes, will lead to long-lasting solutions to our economic woes.

(Mr. Joseph, Antigua and Barbuda)

The Caribbean nation of Antigua and Barbuda, eight years an independent country, has pursued development objectives that have led to an upward-sloping economic curve for the past eight years. Our economic machinery, fuelled almost exclusively by a single product, tourism, has been duly assisted by a stable trade-union environment, by sensible borrowing for development and by several favourable trade and aid programmes.

In regard to the latter, permit me to express my Government's sincerest appreciation to the Government and people of Canada. Several weeks ago Canada's Prime Minister announced a debt-forgiveness programme of 160 million Canadian dollars which will benefit 13 nations of the CARICOM region. The trade agreements between Canada, the United States of America and the European Community, from which economic benefits were anticipated, have so far yielded disappointing results. Problems of inadequate economies of scale, limited productive capacity imposed by our small size, and declining prices for our commodities and manufactured goods are factors which have served to diminish the benefits that are so crucial to our economic development. As we struggle with these difficulties we must at the same time import massive quantities of goods from the developed countries at prices which necessitate the large transfer of financial resources from our ailing economies to the economies of the developed world.

As we contemplate the future of our economic development, we welcome the unfolding political events in Eastern Europe and applaud the democratization of many of its States. We anticipate that these developments will contribute much to the economic and political evolution taking place in the world today, not the least of which is the easing of tensions among the super-Powers. In this connection we await with eager and cautious optimism the transfer of funds originally earmarked for armaments build-up to be allocated for improvement of the human condition globally. Perhaps the efforts to eliminate poverty, illiteracy and destitution

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will now be further intensified. We also hope that a special programme will be launched to arrest the rapid deterioration of our environment, and here again we wish to reiterate that this special session can contribute much to the restoration of, and respect for, the integrity of our global environment.

If island developing countries are to sustain their development drive, a new perspective must prevail. Aid must be further institutionalized; official development assistance must be enlarged through tax write-off incentives to individuals and corporations; every effort must be made to secure low-cost financing of public-works projects and training for our youth; recovery assistance for natural disasters must be assured; and access to the markets of the developed world must be guaranteed for exports at reasonable prices.

Antigua and Barbuda, as a small island developing country, is subject to a variety of problems which require special attention. Our vulnerability to natural disasters, hurricanes and earthquakes in particular, as well as oil spills and other environmental pollution hazards, necessitates elaborate disaster-preparedness measures and mechanisms in order for us to be able to minimize the devastation and long-term impact on economic activity that these disasters bring about.

Geographically, our extensive coastlines are a constant invitation to smuggling, illicit trafficking in narcotic drugs and psychotropic substances, and we also experience severe exploitation of Extended Economic Zones by foreign fishermen.

Our fragile terrestrial and marine ecosystems are being irreparably damaged by environmental threats such as global climate changes and activities emanating from outside the jurisdiction of small island developing countries. This process of ecosystem degradation is exacerbated by the absence of human and financial resources to implement the appropriate conservation policies.

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Small island developing countries such as Antigua and Barbuda have to provide the same range of public services as do larger entities. This results in high administrative costs even measured in per capita income or in terms of available financial resources.

The uncertainty of future sources of foreign capital for island developing countries, coupled with an inadequate financial capability to meet development requirements, highlights the need for more effective and productive management of limited resources. In this connection human-resource development has assumed a new urgency. Consequently my Government has embarked on a national strategy of education and training aimed at placing its people firmly at the centre of development. The goal here is to make human development instrumental in accelerating economic growth. My Government is of the belief that expenditures on improving capabilities have the potential to yield a return to society as high as the return on physical investment, and neglect of human-resource development not only retards the expansion of human capabilities in the broadest sense but also undermines its long-term potential rate of economic growth.

Thus in revitalizing the economic growth and development of island developing countries there is an urgent need for education and training programmes directed towards enhancing the ability of individuals to participate constructively in organizations such as enterprises, trade unions and government agencies. The future of island developing countries such as Antigua and Barbuda depends on the education of our youth. In addition to universal primary education we need to introduce programmes that emphasize the professional, technical and managerial skills essential for effective competition in the global marketplace.

Against this backdrop, we call on the international community to increase its assistance in this area, since the basic needs far exceed the domestic resources likely to be available. Diversification of an agricultural or a tourism-based

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economy requires investment in modern industries. Investment in modern industry requires skilled labour; agricultural mechanization requires people who can, for example, operate and repair irrigation equipment; and modern services - banking, public administration - require a literate and numerate work force. Thus our call for assistance on human capital formation can, in principle, yield returns in the form of an increase in the productivity of investment in physical assets and ultimately improve our competitive edge.

For its part, the Government of Antigua and Barbuda has recogized that new measures have to be taken to increase government revenues in order to meet the constantly rising level of expenditure. As such the Government is undertaking structural adjustments. At present we are seeking to introduce new revenue measures that are compatible with the country's macro-economic objectives and consistent with the principle of equitable burden-sharing and social justice. Steps are also being taken to improve the system of financial management and control. This is done in order to ensure that both effective and efficient management is experienced at the Central Government level.

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It is our task to devise solutions to the current economic morass into which the developing countries have been manoeuvered. While proffering solutions, we must bear in mind the difficulties that the developing countries will face in the 1990s. All developing countries, therefore, will require substantial increases in aid flows, effective trade agreements and assistance in developing their human resource capabilities. We urge that further progress towards international economic policy co-ordination be consolidated and broadened to take into account the concerns of all countries, and that this co-ordination take place within a framework of economic stability, global economic growth and human resource development. This, we believe, will allow the developing countries to achieve the highest possible rate of social, political and environmentally sustainable growth and maximize their revitalization of economic and social growth.

Mr. WILENSKI (Australia): On behalf of the people and the Government of Australia, I join other speakers in congratulating the Government of Namibia as we welcome Namibia into membership of the Organization.

We are gathered in New York this week to work towards two revitalizations - the revitalization of the economic growth and development of developing countries and, secondarily, the revitalization of the international economic debate at the United Nations, so that it will have an impact on the policies needed for that first priority. The cause could not be more urgent. In the words of the Secretary-General,

> "The increase in the number of people living in absolute or extreme poverty in the 1980s stands as an indictment of policy-makers everywhere". (A/AC.233/5, p. 26)

We deal at this session with the issue of the first and greatest importance to the majority of people for whom the United Nations is intended to work.

(Mr. Wilenski, Australia)

The world economy is marked by sharp contrasts. The gap between rich and poor countries has always been our preoccupation here - and rightly so, for average incomes in the West are now 50 times those in the low-income countries. But now another divide among developing countries has emerged, between regions that move ahead and regions that are falling behind. Most people in the developing world live in countries that have made some, or significant, economic and social progress in the past 10 years. All but a few even of these, however, still have deep problems of poverty, distribution, debt, trade access and the environment, and indeed these countries number among their populations most of the world's poor. They are, however, at least able to offer their populations small annual improvements in their living standards and, perhaps, that most valuable commodity, hope for the future.

A great many other people live in developing countries whose economies are stagnating or reeling from successive economic crises. Their situations have worsened during the 1980s as commodity prices have fallen, debt obligations have risen, trade opportunities have evaporated, investment flows have diminished. Domestically, population pressure on scarce resources has mounted, and some key domestic institutions have collapsed under the pressure of political and social instability. Most of the poorest countries are in this group of countries with stagnating economies, and there is little that can credibly relieve the despair of their populations. For these countries, economic revitalization is a necessity, and it is our clear duty to help them to build a different future for themselves.

Listening to economic debates in this forum over the years one has found it easy to become depressed. However, there are now signs that the world is changing faster than we could imagine - and for the better. Political changes, based largely on economic frustration, are leading to the establishment of more participatory forms of Government, and people are responding by willingly making sacrifices to meet their longer-term political and economic aspirations. At the United Nations we have perhaps lagged a little behind our technical colleagues, but opinion is converging in support of those policies, incentives and institutional structures which, by mobilizing the potential, initiative and creativity of the citizens of developed and developing countries, actively work to promote development. There is broad agreement that alleviating poverty must be given a new priority on national and international agendas. We must work towards achieving social justice for the poorest of our world and economic growth which respects environmental constraints.

The importance of social and institutional factors in development is now also becoming more widely recognized. It has long been recognized that its people are a country's most important economic asset, but in the past it was less readily accepted that the full utilization of human resources also required that human rights be guaranteed to each individual. Similarly, economic policies, however sound, can be ineffective if the human institutions that must implement them are ineffective. Development requires motivated participation by both women and men, effective administration, education, legal systems, financial institutions and voluntary community-based groups as much as it requires resources; development in social infrastructure needs to occur in conjunction with the development of economic infrastructure. We are now closer to agreement on the importance of social and participatory elements in development.

Some fear that the breathtaking developments in Eastern Europe are not an unalloyed blessing and that development assistance, capital flows, debt-service costs and trade opportunities for developing countries may be negatively affected. Developed countries must do all in their power to ensure that poorer countries do

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not bear the costs of any negative and transitional side effects of what is clearly overall a very positive process. As the more secure international strategic environment prompts developed countries to devote less of their resources to defence expenditure, developing countries can legitimately expect to participate, directly and indirectly, in the allocation of the peace dividend. The very significant costs to many developing countries of regional conflicts, many of which were exacerbated by the cold war, should also diminish as global tensions are dissipated. The time is ripe for many developing countries also to realise the benefits of their own peace dividends by reducing their own military expenditure. In the longer term, developing countries can expect to benefit from the economic integration of East and West, but the longer term may be too long to wait.

In the past the main barrier to productive discussions on development in the United Nations has been the tendency of delegations to take an all-or-nothing approach - to insist that either domestic policies or international conditions are entirely to blame for development failures. Generally speaking, those countries that have benefited from a benign international economic environment in recent years, due to lower energy and commodity prices and lower trade barriers to their major exports, have tended to attribute their success to the sound economic and social policies they have implemented, while those in perpetual political and economic chaos which lack the will and structures to undertake difficult domestic reforms have tended to blame the international economic environment. Australia's own experiences in attempting to promote the development of our commodity-based economy in an era of low commodity prices and high interest rates suggests to us that international events and domestic policies are both important. The logical conclusion of this discussion is that no one country is without responsibility for the revival of the world economy and for the revitalization of the development process.

(Mr. Wilenski, Australia)

Overcoming the debt problems of developing countries is obviously one of the most urgent tasks. The persistence through the 1980s of these problems, created by the decisions of both those who borrowed and those who lent the funds, has inflicted heavy damage and tragic human costs on a large number of developing countries. These debt problems are primarily responsible for the current net transfer of resources from developing countries to developed ones. There is a need to reverse this flow through means that increase the availability of external finance, support structural adjustment and reduce interest rates and the debt burden, recognizing that the rational use of resources is no less important than their volume.

Australia sees the solution to the problems of the large developing-country debtors largely in terms of the adoption of internationally and domestically supported structural adjustment measures, including forms of debt and debt-service reduction that are implemented broadly and rapidly in such a way as to enhance creditworthiness, promote flows of new money and support reform programmes. We need a greater and more finely-tuned effort. Some debtors are well placed to take advantage of any liberalization of international trade and many have taken measures to liberalize their own trading régime to improve their international competitiveness.

Developed countries owe an obligation to these countries to maintain the vigour of global economic growth, encourage investment in the developing countries, and strengthen the multilateral trading system, assisting debtor countries to grow out of their indebtedness. The countries concerned need to broaden the base of their economic adjustment, further opening their economies to external investment and trade and to reduce their reliance on loans to ease their debt service payment problems. Measures to increase domestic resource mobilization and increased savings are particularly desirable.

The poorest debtor countries, the majority of which are in sub-Saharan Africa, continue to face debt problems that are small by global standards but immense in relation to their own economies and thus require special treatment. These countries need to reform their economic, social and institutional structures and to make substantial investments in new infrastructure if their development is to resume. These necessary and thorough structural changes will require the continuing support of the whole international community including through the provision of debt relief with implicit grant elements under "Toronto terms". Reforms in these countries will take time to implement and it may be some time before domestic and foreign private investment resources begin to flow. These

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countries may be able to capitalize more quickly on improved trade opportunities, particularly in primary commodities.

Australia is particularly concerned that many countries, particularly in the Asian-Pacific area are increasingly burdened by their debts though they continue to service them. These countries bear the burdens of poverty, for they contain most of the world's poor people, and most have adopted economic policies which have facilitated continuing and successful structural adjustment, but their debt and debt-service obligations are substantial and each increase in interest rates, each reduction in global trading opportunities, punishes these countries, and their poor, severely. These countries have the capacity productively to absorb increased capital flows and no one should draw the false conclusion that because they are servicing their debts they are also able to fund satisfactory levels of national development.

In regard to official development assistance, Australia continues to accept a commitment to work towards achieving the aid target of 0.7 per cent of gross national product and sees value in the maintenance of such target as a spur to our efforts and those of others.

In the short time available, however, I should like to turn to trade, which is of critical importance to global economic co-operation and to the revitalization of the development process. It dwarfs aid and other financial flows as a source of foreign exchange for developing countries. The World Bank has estimated that protectionism reduces developing countries' income by an amount twice that of development assistance each year. Clearly, one of the most important contributions that developed countries can make to their own development and that of the developing countries is to open up international markets for developing-country products and to allow them to compete fairly and freely in the global market place. Australia fully accepts its responsibility to contribute to the reform of the international trading system and to dismantle protectionist barriers and it urges others to do the same.

The broad negotiating mandate of the Uruguay Round of multilateral trade negotiations makes progress in trade negotiations possible in all areas, making comprehensive reform possible in many areas of trade of particular interest to developing countries, such as agriculture, natural resource based products, tropical products and textiles. As negotiations draw to a close, the will to roll back the protectionist measures of recent years and further liberalize global trade has still not emerged. This special session needs to appeal to all countries to contribute urgently to a successful conclusion to the Uruguay Round of multilateral trade negotiations which holds out the prospect of significant market liberalization from which all will benefit. The special opportunity provided by the Round may not come again soon.

The shared responsibility of reducing the environmental damage we have all caused falls more heavily on developing countries because they lack resources to take the necessary measures. As the major sources of pollution and the depletion of natural resources, the developed countries therefore have a special duty both urgently to take those measures which are necessary to protect the environment and through resources flows and technology transfers to create the conditions that will help the developing countries to implement similar policies. Australia recognizes that rapid development in the developing countries will assist the protection of the global environment because poverty is an important cause of deforestation and desertification. Rapid population growth adds to the strain and needs to be countered by development and appropriate population policies. Sharply increased funding for population programmes is urgently required, and this must include improved health and education programmes, particularly for women.

(Mr. Wilenski, Australia)

The barriers separating the poor from development sometimes seem insurmountable but in recent months we have been reminded that, if it is the people's will, the strongest of walls can fall. Our declaration needs to mobilize political will in developed and developing countries so that we can all begin chipping away at the wall that separates the poor from development. To mobilize support for development, this meeting must lay new foundations for international co-operation and the improvement of national policies, creating a new agenda for a new more productive dialogue on development in the United Nations in the 1990s. The economic and social areas of the United Nations system need to be reformed so that they have a real impact on the implementation of development goals. The need for co-operation and the new opportunities for it have never been more apparent. For the poor, action cannot come too soon.

Mr. MWANANSHIKU (Zambia): Allow me to extend to Mr. Garba of Nigeria my sincere congratulations on his unanimous election to the presidency at this special session of the General Assembly. Recalling the successes that characterized the deliberations of the forty-fourth session and the seventeenth special session of the General Assembly, which were also held under his presidency, I have no doubt in my mind that he will once again ably discharge his duties.

Let me at the outset welcome on behalf of my country, Zambia, Namibia's admission to the United Nations as its 160th Member. It is the culmination of a long and arduous struggle by the people of Namibia, under the leadership of the South West Africa People's Organization (SWAPO). It also signifies the success of multilateralism and enhances the credibility of the United Nations as an instrument for resolving international conflicts.

The decade that has passed was for most developing countries "a decade lost for development". It was a period when the economic problems facing most

(Mr. Mwananshiku, Zambia)

developing countries deepened and assumed grave and dangerous dimensions resulting in the further marginalization of developing countries in the world economy, the intensification of poverty, especially in sub-Saharan Africa, Latin America and the Caribbean and certain parts of Asia, and the deterioration of economic and social infrastructures in many countries.

(Mr. Mwananshiku, Zambia)

The fundamental causes of this situation are many and arise principally from the present unsatisfactory economic relations between the developed and developing countries. They include, in the first instance, the deterioration of the terms of trade of developing countries resulting from the long-term downward trend in commodity prices. Since most developing countries, especially in Africa, rely heavily on trade in primary commodities, the result of the deterioration in terms of trade has been predictable and devastating.

Secondly, the decline in export earnings resulting from the fall in commodity prices has led to the emergence of the external debt problem, which, with high interest rates, has grown particularly worse in the last decade, effectively impeding growth and development in many countries.

The third problem has to do with the overall decline in aid flows. Although, as a proportion of the total, official development assistance continued to grow during the last decade, other flows - and private investments in particular - declined significantly. Thus, aid was unable to compensate for the reduced receipts from commodity exports and increased external payments because of debt service. The result for most developing countries was a situation in which massive resources were being transferred from those countries to developed nations, thus depriving the former of much-needed capital for development.

As we stand on the threshold of a new millennium the time has come for us to re-examine the state of existing international economic relations and explore ways and means in which we together, developed and developing countries, can create a new economic environment that will make possible the realization of economic growth in developing countries, which are at present the most disadvantaged segment of the world economy.

Specifically, the challenge we face is how to transform the currently unsatisfactory North-South relations and create a more appropriate international

(Mr. Mwananshiku, Zambia)

environment that will make it possible, first, for third-world nations to receive adequate remuneration from their export of primary commodities and thus begin to play a more active role in international trade and finance; secondly, for the international community to deal with the debt crisis now confronting the third world, including the debt to the Bretton Woods institutions, in those cases where the capacity to repay has been eroded by factors beyond those countries' control; and, thirdly, for the developed countries and private and international financial institutions to mobilize additional resources under suitable terms and conditions to enable developing countries to end the current negative outflow of resources.

Dealing with these challenges is not easy. It involves, on the part of the developed nations, a new commitment to the spirit of solidarity and interdependence in a world that is trully economically integrated. It involves, in addition, a commitment to take individual and collective measures aimed at creating an improved economic environment that will allow international trade to take place freely, in stable conditions, for the benefit of all. Lastly, it involves a disposition to deal with the debt problem in a way that will permit the resumption of economic growth in third-world countries.

In this latter regard I wish to recognize the positive decisions taken by such countries as Canada, France, Britain and the Federal Republic of Germany in dealing with the debt problems of some African countries by way of debt forgiveness. I appeal to other countries to follow that example.*

On the part of the developing countries, dealing with these issues involves, among other things, restraining the rapid growth in population and creating a macro-economic environment that will enable those economies to increase and diversify exports, generate domestic savings, receive new external capital such as foreign direct investment and resume growth. Many developing countries are already working to that end.

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* Mr. Kharrazi (Islamic Republic of Iran), Vice-President, took the Chair.

At this special session we have been placed in a situation in which we, as members of the international community, have but two options with regard to international economic co-operation. The first option - and it is the easiest - is to continue with present policies and practices. The harvest we will reap is clear. We will only succeed in holding back further development of the world economy and unleash an unprecedented destabilization of civil communities. The past decade has taught us that the present system of international co-operation has, on balance, been harmful to at least one segment of the world economy.

The second option is for us to summon our collective political will, rise above vested interests and initiate a process of radical departure with the past. It is an option propelled by concern for realism and progress, which demands that we put international co-operation on a par with the profound changes going on around us.

Suggestions have already been made as to how we must proceed if we want to raise the level of international economic relations. Taking advantage of reduced super-Power tensions and the consequent withering away of the strategy of balance of terror, we need to set in motion a rational division of labour that respects the fact that, in today's interdependent world, the economic development of each country now depends on a steady growth of its exports and of its purchases from foreign countries. Invariably, economic strategies in developed and developing countries need to be seen in the context of complementarity and not conflict, as has hitherto been the case. The bottom line is, of course, that we must be ready

(Mr. Mwananshiku, Zambia)

to agree on viable commitments and actions on all levels of economic activity, such as trade, finance, money and global policy formulation.

This is no small challenge, carrying with it as it does both risks and opportunities. It is all too easy for us to put ourselves in a peculiar condition of intertia and indecision. It is all too easy for us to assume that nothing can be done or need be done. But as we proceed to adopt the basic document of the special session let us always remember that for about two thirds of the world community the yearning for a new style of life and a new type of society has never been as intense as it is now. That is why the United Nations rightly advises us that development is another word for peace. Let us therefore see that our joint efforts at this session result in a mechanism for averting the disaster that would await us in the future if present policies and practices prevail.

**Mr. MALMIERCA PEOLI** (Cuba) (interpretation from Spanish): I wish to express my delegation's satisfaction at seeing Ambassador Joseph Garba presiding over this important special session of the General Assembly. We are convinced that his well-known diplomatic skills and his experience as President of the forty-fourth session of the Assembly ensure the sound conduct of our deliberations.

All of us in the General Assembly, and everywhere else, shared in the historic moment when the people of Namibia, having achieved victory in its long struggle for independence, took its seat as a new Member of the United Nations. Cuba, whose sons and daughters shed their blood in the struggle against those who were oppressing the Namibian people, has particular cause to rejoice at this victory. We must now continue to extend our solidarity to independent Namibia so that it may exercise its sovereignty over all its territory, including Walvis Bay and the Penguin Islands.

We have come together here to deal with the issues of development and economic growth, as well as out of a desire to channel the efforts of the United Nations towards international economic co-operation in the framework of political will, solidarity and justice. In this undertaking, in which constructive dialogue is necessarily the rule of the game, we have before us the twofold perspective of the problems faced by the third-world countries in their struggle for development: on the one hand, the necessary effort that each country must exert in order to make the best possible use of its national potential, by strengthening an economic productive structure that, through the involvement of all the people, is designed to guarantee development, well-being and equity; and, on the other hand, the existence of a system of international economic relations that, in its present structure, hampers such efforts and condemns the underdeveloped countries to a marginal and dependent status.

(Mr. Malmierca Peoli, Cuba)

I should like to refer to the standpoint from which our country views this dilemma, in the light of the experience we have accumulated over more than 30 years. Since the 1960s Cuba has been devoting all its efforts to transforming the social and economic structures we inherited: underdeveloped, obsolete and totally dependent structures. Those efforts have had significant results, which, especially in the spheres of human resources, social well-being, productive infrastructure, problems relating to population, and scientific and technological progress, have completely changed the way the country looked in 1959.

Today the people of Cuba enjoy one of the highest standards of health in the world - maintained, among other things, by the availability of almost 40,000 doctors, as compared to only 6,000 in 1958, and by the development of a health-care system that sets an example for those in the world seriously concerned about health. This has made possible, among many other achievements, an average life expectancy at birth of almost 75 years; infant mortality has been reduced to 11.1 in the first year of life for every thousand live births. To illustrate what these figures mean, we need only make a comparison: since 1959 the lives of more than 300,000 children have been saved in our country, while in the third world as a whole, according to recent estimates by the United Nations Children's Fund (UNICEF), more than 100 million children under five years of age will die in the next decade - lives that could be saved if these children could enjoy levels of health similar to those achieved in Cuba.

Our people have a high standard of culture and education, the product of a policy which, after the eradication of illiteracy 29 years ago, has yielded 970 times more graduates of universities and technical schools than we had before; our rate in this respect is comparable to that in the developed countries. A sizeable number of these graduates are in the scientific and technological fields.

(Mr. Malmierca Peoli, Cuba)

Agriculture and industry have been diversified. Branches which were virtually unknown 30 years ago have been developed. We have worked to ensure an infrastructure that can assimilate efforts to ensure industrialization and development. Thus, the generation of power has increased six times; the tonnage of our merchant fleet, 24 times; and our water reservoir capacity, 147 times. Major progress has been achieved in genetics and animal health. Cuba today is among the leading countries of the world in research and achievements in biotechnology and genetic engineering. This has made possible important strides not only directly in health, but also in agriculture and industry.

This effort has been conducted in a manner completely consistent with a policy of equitable distribution of wealth. One of the first tasks of this process was the eradication of poverty. This economic progress has brought direct and equitably distributed benefits to the people. Thus, the development effort is a labour of the people, in which all social sectors participate as direct beneficiaries.

However, my country, like the rest of the developing world, is faced with an adverse and disadvantageous system of international relations. The efforts that a given country may exert in one direction or another will necessarily be limited in a world where we see the persistence of protectionism, unequal terms of trade, and a long-term trend towards a reduction in the prices of the basic commodities that are the main source of income of the developing countries; a world with an increasingly acute external-debt crisis - a debt whose total amount is clearly unpayable and which, despite the apparent increasing political awareness of the problem, continues to worsen. Thus, there is a constant transfer of resources from the developing countries to the developed countries; for Latin America this reached the astounding figure of $25 billion in 1989. For the time being, no real and definitive solution to this problem has been proposed.

(Mr. Malmierca Peoli, Cuba)

It is very difficult to make great progress when the prevailing international economic order makes it possible for the world's largest economic Power, the United States, to exert economic coercion upon smaller States by applying a total economic embargo, including food and medicine, such as the one my country is enduring - despite the fact that such embargoes violate the rules of international coexistence and have been condemned in many resolutions adopted by the United Nations, the Movement of Non-Aligned Countries and other international forums.

It will be impossible to encourage national investment and achieve industrial development in the developing countries - no matter how firm their intentions are - if a transfer of resources and technology is not provided in real terms, without conditions or restrictions, a transfer not geared to the profit motive; and if there is no sharing of the scientific progress and breakthroughs introduced daily by the developed countries into their productive sphere; if the transnationals' manipulations of these breakthroughs - for instance, through the prices of the commodities that they export to the developing countries, and the reverse net transfer of resources - are not restrained.

(Mr. Malmierca Peoli, Cuba)

Nor can we expect major progress if there is no co-operation in the international community to give real impetus to the necessary processes of integration that are required by the developing countries.

Furthermore, we must add that because of the negative effects of the international economic situation and as a result of the severe adjustment measures, there has been an increase in a phenomenon known in Latin America as the "social debt". This refers to the gradual decline of budgets earmarked for education, health, housing, well-being and the physical infrastructure. The programmes of structural adjustment imposed on the developing countries, far from reversing the decline and stagnation of the economy and laying the foundations for a sustained development, have had a negative effect, with particularly harmful repercussions on the workers, farmers and other vulnerable majority sectors of the population.

We fully support the thesis that every State and every nation is responsible for adopting its own economic policy for development and for the achievement of the well-being of all its citizens. We also fully endorse the statement that any policy for the purpose of development should be based on equity and the distribution of wealth in order to include the whole population in that effort. But at the same time, we are aware that if the efforts of the developing countries are to be successful - and this has been long recognized by this Organization - profound changes in international economic relations will have to be made.

This had already been universally accepted when, in 1974, the General Assembly adopted the Declaration for the Establishment of the New International Economic Order and a Programme of Action to bring about its implementation. The essence of the problems envisaged 16 years ago has not changed. Some of those problems have grown worse in a way that was not foreseeable in those years of hope and apparent political will; for example, the case of the debt crisis of the third world. Other

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new problems have arisen since that time. Had we applied those measures that were foreseen and adopted by the Assembly at that time and in subsequent years, many of the problems that we are presently discussing would have been solved and others would not have arisen.

My country recognizes the full validity of the principles set forth in the new international economic order and is convinced that meaningful economic co-operation to fulfil the requirements of development and economic growth of the developing countries calls for the application of those principles as a minimum, together with additional measures such as, inter alia, the total and definitive cancellation of the external debt of the third world, the formulation of a universal approach to problems of the environment and development and the international contribution to the necessary processes of the economic integration of those countries.

We believe that we could talk about success at this special session if, in a new spirit of solidarity, a real political commitment were made in the United Nations to move forward with the multilateral process that can put into practice the measures and concepts developed by the United Nations over the last 25 years for the purpose of achieving comprehensive and interrelated solutions to the problems of trade, finance, external debt, industrialization, environment and development.

No international body meets the conditions of the United Nations which, by its universality, its democratic character and the scope of its mandate, is the most appropriate forum to channel international economic co-operation with an integrated approach in terms of the development and economic growth of all peoples.

We harbour the hope that the international community will understand the vital importance of the steps that we must take. In our view, there is sufficient awareness of the important role that can be played by the developing countries in

(Mr. Malmierca Peoli, Cuba)

the stabilization, growth and expansion of the world economy and trade, as well as of the danger that would be inherent in another failure of our just endeavours.

If the developed countries do not show the necessary political will to change the existing economic order and provide fair opportunities to the third world nations to enable them, through the efforts of their peoples, to achieve a position of dignity in the distribution of the potential wealth provided by the world in which we live, the future can only bring irreppressible social explosions and increasingly deep and wide-ranging crises.

Mankind's capacity to enter the new century in a spirit of peace, justice and development depends on our will and collective efforts. Without that necessary understanding, we cannot turn into a reality the noble principles that inspired the founders of the United Nations. Cuba is prepared to co-operate with all Member States in the pursuit of those lofty goals.

Mr. ECONOMOU (Greece): Greece joins other States Members of this Organization in warmly welcoming Namibia's independence and its admission to the United Nations. The birth of this new State is the outcome of the long and courageous struggle undertaken with consistency by the people of Namibia until the achievement of their independence. Its freedom was not offered by anyone. It has been won by the Namibian people itself through many sacrifices over the past decades. Equally, it has to be stressed that, together with their outstanding courage, the Namibians have exhibited matching qualities of political maturity in preparing their Constitution. In doing so they have convinced us of both the skilful conduct of their domestic affairs and their positive contribution in promoting international peace, co-operation and prosperity.

Namibia's independence constitutes a great victory for the United Nations as well, since it successfully accomplished one of the most difficult and delicate tasks ever entrusted to this Organization. We commend the Secretary-General, the members of the United Nations Transition Assistance Group and the Secretariat for their dedication and untiring efforts over this period. The United Nations proved that it is ready for the role it has to play in the face of recent international developments. We are hopeful that the remaining regional conflicts will soon reach a just solution in accordance with the principles of the United Nations Charter.

The Foreign Minister of Ireland has already presented the common positions of the member States of the European Community, with which we fully concur. Allow me now to make some supplementary remarks.

(Mr. Economou, Greece)

Economic problems occupy a central place in the world political agenda. They can be solved at the national and international levels only with a degree of collaboration and wider vision that should be more forthcoming in international affairs. Sustained growth in total and per capita incomes requires a political consensus to strengthen international economic co-operation and allow the United Nations to play an active role in this field.

General Assembly decision 43/460 to convene a special session has given the international community a new challenge. Its outcome, we hope, will become the symbol of the great changes and hopes of our time. It must bridge remote visions of the future and the constraints that are paralysing the growth potential of the developing countries. This special session is taking place while far-reaching developments and a global reassessment of political and economic dogmas are in progress. Change is both necessary and inevitable, since the present increases in human numbers and per capita consumption, as well as the disturbance of ecosystems and the depletion of natural resources, are undermining the very foundation of survival.

The 1980s mark the beginning of fundamental rethinking about policies towards the achievement of economic development. During that decade there was set in train a process of change that challenges accepted oversimplified models and ideas which proved inadequate to cope with all the new issues and their interdependence. More pragmatic approaches to economic and social issues throughout the world emerged. National efforts focused on adopting prudent macro-economic policies, while it was understood that interdependence implies that in any given period a country's economic performance in the international arena is determined both by domestic forces and by the external environment. An "enabling international environment" is required if efficient production and competition is to take place. Greater

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economic freedom has a bearing on all freedoms - economic, social and, of course, political. They are interdependent and consistent with the attainment of the highest possible standard of living for societies in which people can take control of their own destinies with democratic procedures and respect for human rights, develop their potential and reach a higher stage of development. The ongoing political and economic developments in Central and Eastern Europe should bring about a radical change that has the potential of strengthening not only their own economies but the world economy as well. The great needs for reform and reconstruction in Central and Eastern Europe call for international support, which should not be at the expense of efforts to assist the poorest members of the world community.

The world economy is dynamic and diverse, and as we enter the 1990s, we recognize that the contours of economic geography are in constant movement. The pace of economic change differs from one part of the globe to the next. Strengths and weaknesses continue to persist. There has been an extended period of growth in many parts of the world economy and an expansion of international trade. The developing countries, however, suffer a sharp reduction in living standards, still face a heavy burden of debt and have not benefited significantly from the expansion of the rest of the world. Extensive debt carrying high real rates of interest has been a blight on domestic and social economic management since 1982.

The next decade and its evolutionary path appear to be filled with options, opportunities and risks. New ways of thinking will be required if the trends which shape the present continue. Growing interdependence will bring about an expanded global market in which economic rather than military power will achieve larger shares of global output. The world economy will be increasingly based on information, services, high technology and rapid change. Deep cuts in nuclear and conventional arsenals could and should translate into greater financial flows to the developing countries and expanded production and trade of goods. The vast political and economic transformation of the world will inevitably affect the developing countries. If the 1990s are to be a decade of opportunity, we must, in our common efforts, ensure that world economic growth is sustained and its benefits shared more broadly among countries. Its fruits should be distributed more equitably among the members of the global society, and particular attention should be paid to its most disadvantaged and vulnerable members. The common long-term objective should be that of attaining maximum sustainable high quality growth while adopting policies to deal effectively with the most pressing problems of the developing countries.

The world needs a global approach to economic, social and environmental problems. This session of the General Assembly holds the key to a new beginning. Economic interdependence will grow, and saving the environment will climb higher on the world agenda. We need to shed more light and sharpen our vision on the state of the global economy, and its probable path of evolution must bring all member countries together in a joint and mutually rewarding global economic effort despite the sharp diversities and disagreements among them. The need for a new development paradigm is evident for approaches that result in plus-sum games in which all benefit and no one really loses.

The next two days are crucial for the success of the special session. The Committee of the Whole is working intensely to reach a consensus outcome of the special session. The spirit of co-operation and the sincere determination for success is more manifest than ever. My delegation encourages all groups and delegations to intensify their work in harmonizing views on the subject and to forge a successful declaration, which should be a starting point not only for new thinking, but also as a means to secure global consensus on innovative forms of development and international economic co-operation.

Mr. AYALA LASSO (Ecuador) (interpretation from Spanish): On behalf of the delegation of Ecuador, I wish to congratulate Mr. Garba on his election to the presidency of the General Assembly at its eighteenth special session. His proven ability and experience will greatly facilitate the successful conclusion of our work.

(Mr. Avala Lasso, Ecuador)

Ecuador hails the entry of Namibia into the world Organization, which is the crowning achievement of a long and tenacious struggle for independence by the heroic Namibian people. It should be a just cause of pride for the United Nations that it was so closely and positively linked to the history of the process of Namibian independence. We extend fraternal greetings to the Namibian people, and we wish the Gsovernment of President Nujoma the greatest success in its work.

There is much significance in the concurring views of all previous speakers as to the new spirit that prevails in the international arena. We can glimpse the beginning of the twenty-first century with renewed confidence in the wisdom of the human species, which has at last reached the conclusion that dialogue not confrontation, and solidarity not isolationism, are the way to progress.

We can see that the values of democracy and freedom are spreading everywhere, that political colonialism is on the wane; that the repugnant apartheid régime is wounded and condemned to certain death; that agreements on disarmament and the reduction of military expenditures are becoming increasingly viable possibilities; that our Organization has gained unprecedented stature and prestige, and that its capacity for action has grown apace with its successes.

None the less, there still exist in the world poverty, illness, hunger and ignorance. The majority of mankind is struggling with economic restraints that bring subhuman levels of living ever closer and render the comforts enjoyed by a minority more distant. This critical situation in the economic and social sphere may be the most destabilizing factor in international and political affairs. The peace we are achieving through dialogue and common interest could be lost through a lack of solidarity vis-à-vis the developing world.

It is well known that the negative effects of a crisis, both internally and internationally, have an especially harsh impact on the weak. I will not recite the statistics and arguments we have already heard in this Hall about the decline

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of the economies of developing countries, for which the 1980s was a lost decade. However, I do wish to draw attention to the paradox that while there is ever more obvious interdependence among peoples and States, it is increasingly difficult to ensure that the countries with the greatest capacity to influence the world economy meet their responsibilities and commitments and contribute, to the extent incumbent on them, to the economic reactivation and development particularly of the developing countries.

Yesterday, during the meeting of the members of the Non-Aligned Movement, we heard Mr. Bettino Craxi, the Personal Representative of the Secretary-General on the question of debt, make a clear and historic presentation of the serious situation faced by the developing countries, especially the debtor countries, as a result of macro-economic policies they depend upon but cannot influence. We heard him refer to the pathology of debt and interest rates that have brought about the disruption of the opportunities available for development for those who most need it. The fundamental warning to be derived from those words is essentially what we have been hearing predominantly throughout this session.

It is essential that we take concrete measures and decisions to revitalize development for all, particularly the developing countries, as a true expression of our understanding of the meaning of interdependence and solidarity. These are not just elementary ethical imperatives but indeed the most appropriate practical basis for general progress. In fact our Organization's universality expresses the unity of the human species. We cannot look on with indifference as thousands of children die of hunger in the depressed areas of the world while at the same time there exist affluent societies where people are paid not to produce food, for example. For practical reasons, it is in the interests of those very rich countries to broaden their potential external markets. The developing world can become a dynamic buyer if it can get out of the crisis today so harshly oppressing it. That is, it can become an ideal partner in world economic organization based on freedom and justice.

To achieve that goal, we must analyse the problems of international trade that are intimately linked with prices of commodities and exports of the developing world. We must effectively rid ourselves of protectionist policies, including those expressed through legal means, implying the adoption of unjustified barriers to the entry of products originating in developing countries. We must boldly, once and for all, resolve the problem of external debt, which is truly a yoke that makes it mathematically impossible for the debtor countries to achieve development.

The objective of this special session is to make a new attempt to reach a general agreement on these important issues.

There is no concealing how difficult it has been to prepare this session. At times it seemed divergence of views condemned this session to inevitable failure. But once again reason and cool-headedness have prevailed, and we are meeting to ensure that, with a sense of realism, all of the countries attending this special session will continue to work in that same spirit.

For many years mankind has been waiting and hoping for the moment of reconciliation and peace to benefit from the opportunities that will then open up, to broaden co-operation and to facilitate general development. For that reason, among others, we have all hailed and encouraged the steps taken along the road of disarmament. We have concluded that the peace dividend could become the financial source that will make it possible to begin to change existing injustices and narrow the socio-economic gap between countries. We are therefore concerned that we now hear murmurings as to whether a peace dividend really exists and whether, if it does exist, it will be used for some other, very different, purpose. The peace dividend could at least partially be converted into a fund for disarmament for

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development, designed for co-operation in the solution of the problems of acute poverty that affect the developing countries.

We noted with great satisfaction the statement made by some developed countries to the effect that the expansion of their aid to Eastern Europe would not affect, qualitatively or quantitatively, economic co-operation for the benefit of the developing countries.

Easily identifiable practical measures should bear out the obectiveness of that statement. It is often said that development presupposes structural change or the adoption of adjustment measures by the developing countries. There is no doubt that in many regions of the world there is a need to modernize existing systems, but let us not forget that economic adjustments have a high social cost, and that poor nations are coming close to the limits of the credibility of those changes and, what is worse, the limits of their capacity to continue sacrificing their elementary aspirations and denying satisfaction of their elementary needs.

The economic policies of the main industrialized countries, particularly their fiscal, monetary and trade policies, have had a negative impact on the economies of the developing countries. The hardening of international financial markets, inordinately high rates of interest, the sudden interruption of the flow of capital and the enormously increased cost of the foreign debt have contributed to creating the crisis of the developing countries, which in the 1980s took the form of a net decline, worsened by macro-inflationary indices, a fall in the prices of their exports and a resurgence of protectionism in the industrialized countries.

Moreover, the international economy has frustrated most of the adjustment measures adopted. Therefore, we believe that there is a need for a favourable external environment with certain favourable conditions at the minimum on subjects such as those to which I have referred - finance, debt, commodity prices, trade and the transfer of technology. It is essential that the developed countries honour the obligation they freely assumed more than a decade ago to dedicate at least 0.7 per cent of their national product to economic co-operation to benefit the developing countries. That goal is not only an economic requirement that can be called for from the point of view of solidarity, but a symbol of the genuineness of the commitments that are entered into.

We believe that South-South co-operation should be promoted and strengthened. In this context, regional and subregional agreements on integration have great importance.

Today the whole world recognizes the seriousness of environmental problems and the urgent need to take steps to reverse the deterioration. Development and acute poverty are inseparably linked with the problems of the environment. Accordingly, any real progress requires a comprehensive view of these issues, their causes and

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their results. Fighting the acute poverty of the South with population policies applicable to the developed North would be a big mistake. The policies of the developed world are often inapplicable to the developing world.

A number of internal and external factors have acted as a brake on the Ecuadorian economy. The declining value of our exports, increased interest rates, the cost of servicing the foreign debt and disequilibria in the balance of payments on the current account were adverse factors throughout the 1980s.

The present Government of Ecuador has applied an adjustment policy to correct basic macro-economic imbalances. Some measures adopted with regard to credit, monetary and fiscal matters were regarded as drastic. To control inflation, we followed an austerity programme in public expenditure. At the same time, measures were applied to support and promote production. In that way we have managed to slow down the pace of inflation.

As for the external sector, exchange measures taken by the Government succeeded in their purpose of restoring the international monetary reserve, galvanizing its exports, rationalizing imports and helping to balance the balance of payments.

Ecuador is aware that the true solution to its problems lies in its own efforts and its own capacity for action, but, as a member of an interdependent community, that if there is no general will for co-operation - above all, by the principal actors in the world economy - our own efforts will not be enough.

Of course, the leading actor in any development is man himself. That is why we must seek to ensure the physical and mental health of the human being. In this context, protection and full use of the potential of human resources implies adopting food, health and education policies. In short, it implies satisfying the

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needs and aspirations of children and adults. Ecuador has made enormous and fruitful efforts radically to reduce illiteracy through a national campaign conducted with the participation of all Ecuadorian citizens, and it took an active part in the World Conference on education for all, recently held in Thailand, where President Rodrigo Borja had the honour to speak on behalf of Latin America.

The goal of the current special session is to arouse and reflect the common awareness that development, as an indivisible value, is a subject in which all are interested and to which all are committed, and to state the steps that must be taken to bring about global agreement on the issue, as well as to use and strengthen the capacity for action of the United Nations in economic matters.

Mr. VOKOUMA (Burkina Faso) (interpretation from French): On behalf of the Economic Community of West African States (ECOWAS) and its 16 member States, I wish to say again how pleased we are to see the President guiding the work of the eighteenth special session of the General Assembly, devoted to international economic co-operation, and in particular the revitalization of the economic growth and development of the developing countries. His great qualities which enabled him to bring to a successful conclusion the work of the first part of the forty-fourth session and of the sixteenth and seventeenth special sessions guarantee the success of the current session.

I should also like to express our joy at the release on 11 February of Nelson Mandela after 27 years of unjust incarceration in South African prisons. Mandela's release, the unbanning of the African National Congress and the Pan-African Congress of Azania and the end of the prohibition on democratic and trade union organizations are important milestones in the struggle for the dawn of

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a democratic, multi-racial society in South Africa. However, those measures should not mislead us. The state of emergency remains in force, many political prisoners are still languishing in South African prisons and the segregationist laws continue to rule the lives of 25 million blacks and coloureds and 5 million whites. In short, the dismantling of apartheid is far from having really begun, and today we should still be vigilant.

I wish also to hail the victory of the Namibian people, which legitimately celebrated with great joy its independence on 21 March. By electing as President the leader of the South-West Africa People's Organization, Sam Nujoma, the people of the Republic of Namibia has assured itself of the best chance of success in a world shaken by an unprecedented crisis. The member States of the ECOWAS welcome the admission of the Republic of Namibia into the Organization.

(Mr. Vokouma, Burkina Faso)

The developing countries, especially the African countries, have been at the forefront of events for some time. We are talking about real dangers of marginalization, corruption, the debt burden, gravely worsened financial situations, high birth rates, famine, non-respect for human rights, the lack of patience of creditors and so on.

We shall not try to hide the grave crisis that our countries are experiencing. Our situation is certainly much more difficult than elsewhere. It must be emphasized that three-quarters of the 16 member States of ECOWAS come within the category of least developed countries - that is, they are the ones that bear the brunt of the economic, social and even political crisis that is shaking the world.

Nevertheless, we are encouraged by the results of the work of the Intergovernmental Group on the Least Developed Countries, whose last meeting was held from 26 March to 6 April this year.

The second United Nations Conference on the Least Developed Countries, to be held in Paris from 3 to 14 September next, should enable us to come up with solutions that might effectively transform the economies of the least developed countries and thus enable them to embark upon a process of lasting development.

The economic community of West African States, whose current president is the Head of State of Burkina Faso, President Blaise Compaore, is a vast grouping of 16 States with 185 million inhabitants, spread over an area of 6.2 million square kilometres. In coming together we have set ourselves the objective of improving co-operation in all spheres of economic activity - agriculture, industry, trade, customs, transport, communications, immigration and social and cultural affairs - with a view to promoting higher living standards for the peoples of our region and, in broader terms, the economic independence of the African continent in accordance with the concept of the Lagos Plan of Action, adopted in 1980.

Everyone knows the trials that have been undermining our economies: debt, unequal trade, ill-adapted structural adjustment programmes and so on. There is already consensus about the seriousness of the situation created by the debt crisis; the same applies to the need to find a remedy.

Furthermore, many developing countries have set up structural adjustment programmes, in general with the Bretton Woods institutions. Some have themselves undertaken drastic economic steps necessary to improve their situation.

In spite of everything, we must recognize that we cannot yet speak of complete success. We must do everything possible to face the facts and ensure that there is a political consensus that will enable us to take national and international measures to revitalize the growth and development of developing countries.

We must all - debtors and creditors - consider the question of easing the debt burden. A lasting solution to that crisis requires not only a reduction of the debt and of debt servicing, but also - and above all - new flows of resources.

Having said that, I reaffirm our complete readiness to begin discussion on any proposals that might allow us to come up with a common approach to resolve the problem of foreign debt, which is obstructing the growth and development of developing countries.

The question of structural adjustments is closely linked to the debt question. Our Governments have acknowledged their responsibilities and have taken the painful economic measures that are required. They have also acknowledged that structural adjustments are essential.

So that the efforts and sacrifices made by our peoples shall not be in vain - in other words, so that the structural adjustment programmes shall allow a resurgence of growth and development apart from the fact that they must be the subject of an agreement between the beneficiary country and the financial institutions concerned, on the basis of the specific characteristics of the former -

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structural adjustment programmes must be compatible with the conditions required for growth and development in the medium and long terms. Also, it must be admitted that the desire to carry out those programmes rapidly has been one of the causes of their failure. It is therefore desirable that the time frames be made longer and that the contemplated measures be introduced gradually.

Furthermore, we are in favour of humanizing structural adjustment programmes; the formulas used so far have not proved viable. The effectiveness of the structural adjustment programmes is closely linked to the need for adequate resources for them, adequate both in volume and quality, including a reduction and/or a conversion of the debt.

The other major obstacle to the development of the developing countries is the drop in world prices for their commodities. To reduce its effects, machinery for compensatory financing has been contemplated and set up, but it must be admitted that there too the results so far have been mixed.

The Governments of the member States of the Economic Community of West African States have, however, recognized the major role that compensatory finance mechanisms must continue to play as the immediate way of cushioning the shock. Nevertheless, their basic objective remains diversification in the processing, marketing and distribution of products.

For the results of those measures to have convincing results, it is urgently necessary that a fair price be paid for our commodities and that protectionist measures taken by certain countries be eliminated.

The joint effect of the phenomena I have described is such as considerably to hamper the development efforts of our countries.

As can be seen, the economic and social situation of our countries is serious. However, in concluding my statement, I wish to emphasize that no

(Mr. Vokouma, Burkina Faso)

observers, even expert observers, have deemed it appropriate to emphasize the signs of hope that still exist. Nobody has found it appropriate to emphasize the dignity and courage of our people, their struggles made with enormous sacrifices in a very difficult situation. No one has thought it necessary to emphasize the determination of our Governments to emerge from the current impasse, particularly by establishing open political systems adapted to the needs of our time.

While we are continually told that things are moving quickly elsewhere, it is insinuated that Africa is characterized by inertia.

Our peoples and their leaders are convinced that a general resumption of co-operation for development cannot but be of benefit for the whole international community. But above all we are aware that the development of our countries is primarily dependent upon our own efforts and initiatives. We are aware that our peoples' material living conditions cannot be improved at the cost of destroying our culture, our traditions and our value systems.

We are aware - and I declare this solemnly on behalf of the member States of the Economic Community of West African States - that our salvation lies, on the one hand, in our unity of action and, on the other, in our solidarity.

Our future action will be primarily oriented towards the integration of our economies, the complete participation of our peoples in the process of development, a development based on the dynamic elements of our cultural heritage.

In order to strengthen their action the member States of the Economic Community of West African States need the co-operation and assistance of other countries and of international institutions. All of us have acknowledged the important role played by the United Nations in the political and security areas, which has greatly contributed to the current political détente. We have all hailed

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the actions of the United Nations which have made possible the decolonization of Namibia.

Those successes should encourage us all to put an end to veiled or open attacks on multilateralism and to restore to the United Nations the central role that it should play in the economic sphere as well.

Through multilateralism we can bring the necessary balance into economic matters.

Justice and equity in relations between people and justice and equity in relations between States will ensure that the fragile peace that is beginning is not compromised. Therefore, we hope that at the end of this session we shall be able to translate into concrete action what the United Nations tells us: that development is another name for peace.

Mr. VELOSO (Mozambique): On behalf of the Mozambican people and Government, I have the special honour and privilege wholeheartedly to support and welcome the admission of the Republic of Namibia as the 160th Member of the United Nations. The deeply felt sentiments of joy and satisfaction come as no surprise to us on this occasion which constitutes a historical and significant milestone for the sister nation of Namibia, southern Africa, Africa and the world. I seize this opportunity to pay tribute to the Namibian people and the South West Africa People's Organization (SWAPO) for the great courage, fortitude and the sacrifices they have made in their long and arduous struggle in pursuance of the sacred rights of self-determination and independence. Similarly, I salute the entire international community, especially the United Nations and its Secretary-General, the United Nations Transition Assistance Group (UNTAG) and the Council for Namibia for their tireless contributions to the Namibian independence process.

In the summer of 1988, the Group of 77, on behalf of the developing countries, called for a special session of the General Assembly on major problems arising from the imbalances and instability of the world economy and particularly the widening gap in the economic and technological spheres between the developed and the developing countries and the unprecedented deterioration of socio-economic conditions in the majority of the developing countries with an increasing number of the world population subjected to extreme poverty and hunger.

Such a noble and timely initiative for the renewal of development dialogue coincided with a positive phase in the easing of international political tensions, primarily due to the relaxation of East-West relations. Furthermore, changes in the global economic structure leading to its multipolarization have become more visible, with a growing economic interdependence among nations, the emergence of a process of economic integration and trade blocs in Western Europe and North America and the integration of Eastern European countries into the world economy.

Environmental problems also became a major concern for the international community during the late 1980s. It is against this backdrop that the special session should be seen as a forum in the search for a collective and co-operative commitment by the whole international community to a positive outcome of the unfolding challenges, and above all, the return of growth and development to the top of the international agenda.

Revitalization of the economic growth and development of the developing countries is the issue at the heart of the special session. The present favourable trends in the international political climate, marked by a progressive reduction in the number of conflicts, should be consolidated and expanded to all regions of the world.

Peace would bring about stability and promote democracy and pluralism in all countries and pave the way for more dynamic international economic co-operation, thereby stimulating economic complementarities among countries, serving mutual interests and advantages and promoting lasting and long-term co-operation. The international economic environment is an indispensable factor with a tremendous impact on the overall performance and health of the economies of the developing countries.

A favourable and most supportive external environment is urgently required for the removal of present obstacles to the process of revitalization and growth in developing countries, particularly through actions on such vital and pressing questions as the provision of substantial external financial resources for development, especially on a concessional basis; the adoption of a more comprehensive and development-oriented response in the search for a solution to the debt crisis through further debt cancellations or adequate debt and debt-service reductions; the reversal of protectionism, with greater access to markets; improved terms of trade and increased technical and capital assistance for the expansion, modernization and diversification of production and export bases.

Over the last decade, international co-operation for development - despite limited resources and increasingly tight conditions - has continued to play a critical role in helping developing countries face up to development challenges and alleviate poverty and famine. The experience and new approaches acquired in this process deserve due attention.

In this context, I find it worth while to mention a few areas and aspects in which a potential for progress may exist in development co-operation and dialogue in the 1990s, namely: by supporting the development of a private and entrepreneurial sector, particularly with the promotion of small and medium-sized agro-industries and other productive sectors; by fostering indigenous non-governmental and professional organizations aimed at the full mobilization of grass-roots movements and wider local access to the benefits of development; by putting a sharper focus on technical assistance, with the goal of national capacity-building, especially in the key area of human-resources development, through more aggressive strategies for training, education and research, institutional support, management skills and decentralization.

More efforts are needed in order to increase both the level and the effectiveness of foreign assistance and other support measures for development. This implies adequate assistance for policy reform and poverty-alleviation programmes, together with support for socio-economic and sectoral areas which are conducive to and will benefit from long-term development, along with better adaptation and flexibility for more responsiveness to a country's specific situation, difficulties and needs.

The adoption of a country's specific approach would be of particular relevance to a country like Mozambique, whose economy has been severely affected over the last decade by recurrent natural disasters and conditions of war which brought about drastic consequences for the population's social and nutritional levels. Future policy reforms and adjustment packages should take this fact into consideration and be increasingly targeted at the obstacles to accelerated and sustained economic growth, while supporting social sectors, particularly those related to women and children, as well as the adult population.

Last but no less important is the need for vigorous assistance to regional organizations such as the Southern African Development Coordination Conference (SADCC) which has just completed 10 years of existence with considerable achievements. Efforts for the intensification of regional co-operation and economic integration among developing countries deserve the full support of all countries and international organizations.

The strengthening of international economic co-operation and the opportunities arising from the renewal of the development dialogue call for breathing new life into multilateralism.

The United Nations is the universal unique forum in which the community of nations can address all the global issues in a comprehensive and integrated manner. The United Nations system, through the active engagement of all Member States, should be properly enhanced and directed so as to fulfil its tasks effectively. It is in this spirit that I look forward to the second United Nations conference on least developed countries, scheduled to take place in September 1990. The Paris conference should serve as a forum for the adoption of a comprehensive and far-reaching programme containing specific commitments by the international community in support of the development efforts of the least developed countries.

In concluding this statement, I should like to express the hope that this special session will generate a global consensus for increased international solidarity and a genuine alliance for peace, development, democracy, economic complementarity and prosperity for all nations.

Mr. MOULTRIE (Bahamas): Revolutionary political, economic and social events are rapidly unfolding in every corner of the globe. After a long and arduous struggle against the abominable and racist system of apartheid, Namibia is free and just a few days ago formally joined the community of States Members of the United Nations. The Bahamas adds its voice to the words of welcome and congratulations to the Government and people of Namibia. Concerted international pressure led to the release of Nelson Mandela after 27 years of imprisonment. In Eastern Europe, countries have radically altered their approach to economic and political development, as manifested in the far-reaching internal changes taking place within many countries.

But the revolutionary events we are witnessing are not only political but also economic. We are seeing the multipolarization of the global economic system.

Japan has emerged as a new economic and financial centre. Sweeping transformations are taking place within the European Community, so much so that by 1992 the 12 countries of the Community would have unified their individual markets, with far-reaching consequences for international trade and investment. The United States/Canada Free Trade agreement is also a case in point.

Technological improvements in mass media have made the impact of these developments more powerful to the average citizen. People's awareness of events has increased, and they are able to reflect on the differences which have divided us for so long and the similarities which bind us together. In fact, the unusual speed with which people, information, money, finance and business transactions flow across national borders has brought countries and their economies closer together and made them more interdependent.

With increased interdependence comes the reality that events unfolding in one country inevitably impact on other countries. The Bahamas is ever mindful of the effects of increased interdependence and a healthy global economy, for these are the very tenets upon which our economy in tourism and banking are built. External events have always impacted both negatively and positively on our historical and economic development.

However, in the very areas which bring us closer lies the potential for conflict between developed and developing countries. The more powerful a country's economic weight in such a system, the more influence it can exert. The weak actors in such a system may find it more difficult to adjust to rapid changes, particularly if their internal structures are not sophisticated enough. This is one of the greatest challenges we face in the coming decade. We must jointly agree on the ways and means of addressing the problems which can result from our interdependent relations and assess their implications for the continued growth and development of developing countries.

The international community saw the wisdom of collective action in tackling the global problems which we faced when we met here to hold the seventeenth special session. The stark realization that drug lords were abusing the interdependence of States to traffic in illicit drugs and launder their proceeds forced the international community to consider developing mechanisms to prevent the illegal use of the international banking system by drug traffickers. This was particularly important and significant for my Government. The Bahamas has always underscored the need for increased co-operation between all Governments affected by the drug scourge and felt this to be the most effective way of stemming the demand and supply of illegal drugs which threaten the very fabric of all our societies.

The decision to convene a United Nations Conference on Environment and Development in 1992 is yet another example of our realization of the need for collectively examining global problems which go beyond individual countries. The consensus which has emerged is a significant step in ensuring continued life for all, for we agreed that environment and development are inextricably linked, that the effects of overdevelopment and underdevelopment can impact on our fragile ecosystem, and that developing countries require new and additional resources to address their environmental problems, as well as to have access to environmentally sound technologies.

The determination which the international community has shown in facing the environmental threat before it disintegrates to unmanageable proportions and life becomes unsustainable is indicative of the optimistic belief, shared by my delegation, that co-operation enables us to manage our interdependence and reduce the unfavourable effects which may result from it.

This eighteenth special session of the General Assembly devoted to international economic co-operation, in particular to the revitalization of

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economic growth and development of developing countries, enables us to address many of the economic challenges which have emerged. Studies have shown that despite the growth of the global economy, growth has been tenuous and lopsided. While the industrial countries have been experiencing modest but steady growth, prosperity has not yet reached the majority of developing countries.

The debt crisis has had far-reaching implications for creditor and debtor countries, as well as the international financial and monetary system. The prognosis suggests that if we do not find a solution to this question soon, we will spend this decade debating it while the economies of many developing countries stagnate or decline.

Debt continues to be a major obstacle to growth. During the 1980s, developing countries found themselves transferring massive amounts of financial resources to the developed countries, resources which should have otherwise been invested locally in much-needed services and capital infrastructure. In many instances, questions about the long-term credit-worthiness and solvency of such countries deter lending, discourage direct foreign investment and lead to capital flight in the very countries which desperately need new financial resources to sustain growth and to implement development plans.

The actions of developed creditor countries towards the end of the last decade would suggest a growing acceptance of the need to lessen the debt burden of developing countries. The efforts of the Group of Seven at Toronto in 1988, the Brady Plan, and a number of individual initiatives by some creditor countries deserve mention. The initiative of the Canadian Government last March in writing off a debt of C$182 million owed by sister Commonwealth Carbbean countries is laudable. This will bring a measure of relief to Caribbean Governments, which still have to face the 1990s dealing with their debt problems.

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However, too often debt-relief packages come wrapped with bitter prescription pills of structural adjustments. Governments are forced to make cuts in expenditures. Areas affected include employment, food, housing, education, health and welfare services, resulting in an erosion of the development gains of previous decades. It is the most disadvantaged and vulnerable groups - the poor, women, children and the aged - who inevitably suffer as a result of the decline in their standard of living. In an age of plenty, where technological advancement increases the potential for improving human life, it is morally reprehensible and an anachronism of history that so many people live in poverty and underdevelopment, after we, the Member States, have pledged to co-operate in solving international economic, social and humanitarian problems. Programmes of economic transformation will not succeed without populations that are healthy, educated and trained, with skills to adapt to constant technological improvements.

The personal involvement and interest of the Secretary-General and the appointment of his Special Representative afford an opportunity for the international community to consider seriously the convening of an international conference on debt involving all parties.

In the present situation of declining financial flows, many have become more dependent on trade as the most important potential source .. foreign-exchange earnings. Some developing countries have been able to tap into the present expansion of the international economy, but for the most part, the less fortunate have been grappling with depression and disorder as they face low prices and protectionism in the form of non-tariff barriers against their products. According to the World Bank, the income cost to developing countries of industrialized-country restrictions may be almost twice what they receive in official development assistance.

Export-oriented growth is an important element for the growth and development of all countries. It is the hope of my delegation that the successful conclusion of the Uruguay Round will result in greater liberalization of trade and lead to new opportunities for developing countries, enabling those that depend so heavily on trade to make headway in their development. Trade still remains an important vehicle for reducing the economic gap between rich and poor countries. We hope that the integration of the markets of the large industrialized countries will not result in new forms of protectionism but lead to new markets for developing countries. Continued South-South co-operation also provides significant potential for increased trade for developing countries.

We must all strive towards a consensus on how to share the task of meeting the challenges caused by our interdependence. In such a system, the stronger actors must show sensitivity to the plight of the weak. The special session comes at a most propitious time, when super-Power rapprochement is conducive to a comprehensive and collective examination of the hard economic issues facing the international community. There now exists a real opportunity for resources released from the military sector to be used for development.

There is no doubt that international co-operation is paramount for the continued growth of the world economy. It is the hope of my delegation that the recent positive political developments in Eastern Europe will contribute further to the growth of the world economy as those countries become more fully integrated into the international economy. We must ensure, however, that developing countries are not marginalized as those developments continue to unfold, for developing countries must also contribute to an expanding global economy.

My delegation hopes that the points we have raised will find ample reflection in the document that will result from the special session. We believe that the results of the special session are important for input into the upcoming series of major international economic events that includes the Paris Conference on the Least Developed Countries, the Conference on Island Developing Countries, to be held under the auspices of the United Nations Conference on Trade and Development, and the preparations for the fourth International Development Strategy. We express this hope because we have seen that it is only through co-operation that we can succeed in addressing the global problems that impact upon us all, particularly the poor and less fortunate.

Mr. SANTOS (Cape Verde) (interpretation from French): On behalf of the Cape Verde delegation, I am pleased to express our satisfaction at seeing Mr. Garba preside over the work of the eighteenth special session. Accustomed as we are to seeing him preside over the sessions of our General Assembly with mastery and competence, we are certain that his diplomatic skills will once again be put to the service of the international community in order to guarantee the effectiveness and success of our current deliberations.

Our congratulations also go to the members of the Bureau, and we should like to take this opportunity to extend our thanks to the Preparatory Committee, which, under the leadership of Ambassador Zepos of Greece, has done praiseworthy work which we duly appreciate. A well-deserved tribute should also be paid to the Secretary-General, Mr. Javier Pérez de Cuéllar, for his dedication to the cause of development and peace and for his important contribution to the holding of the current session.

At the beginning of our work, we were overjoyed and honored to welcome into our family Namibia, the 160th State Member of our Organization. Having fought a long and difficult liberation struggle under the leadership of the South West Africa People's Organization (SWAPO), Namibia has finally taken its rightful place among the ranks of free and sovereign nations. Thus the all too long chapter of decolonization in Africa is practically complete. Namibia's independence under the auspices of the United Nations represents a victory for the Namibian people, for Africa and for the international community. It is certainly also a victory for the United Nations system, which has given a remarkable demonstration of its ability to live up to its responsibilities when the international community gives it the authorization and the means to do so.

We should highlight the roles played by the Secretary-General and his Special Representative for Namibia, Mr. Ahtisaari, by the United Nations Transition Assistance Group and by all those who took part in that complex and grandiose endeavour. But we should also emphasize the important role of SWAPO, which, showing political maturity and diplomatic competence, contributed the necessary balance for the overall success of the operation.

International solidarity, especially among the Non-Aligned Movement, the Organization of African Unity and the front-line States, made a significant contribution in political, diplomatic and material terms. In that context, we take pleasure in referring in particular to the contribution made by the People's Republic of Angola, which, in extremely difficult conditions, was able to guarantee useful and extremely necessary support to SWAPO and the Namibian people.

Cape Verde takes pleasure in having made its own modest contribution in the negotiation phase leading to the December 1988 New York accords, which made possible the implementation of Security Council resolution 435 (1978). On behalf of the Government and people of Cape Verde, we should like to wish the sister Republic of Namibia every success in its new struggle to build a viable and prosperous country.

The nature of the debates surrounding the preparation for the special session makes our current deliberations a test of our common determination to successfully carry out the mandate entrusted to us by the General Assembly. Because of what is at stake, that exercise should be carried out in a spirit of open-mindedness and true dialogue for the establishment of a framework for adequate collective action, with a view to the revitalization of development and international co-operation in the interest of all countries.

Through the holding of the special session, the international community is called upon to take up the development challenge in all its aspects, including its interaction with development in international relations, giving due regard to the major political, economic and social changes taking place throughout the world. The circumstances we are currently experiencing are exceptional: while, on the one hand there are major political changes of which we are all aware, offering new opportunities to strengthen international co-operation, on the other hand they give rise to just as many questions and pose new challenges.

(Mr. Santos, Cape Verde)

Furthermore, the fact is that most of the major economic problems that the international community has tried to solve during the past decade have not yet been solved. On the contrary, they have become more acute; hence the general opinion that the decade of the 1980s has been a decade lost to development.

(Mr. Santos, Cape Verde)

However, the decade will not have been entirely lost if it can teach us lessons that will help us avoid the errors of the past and conceive our future on new bases.

The internationalization of the world economy and the growing interdependence among States constitute the predominant characteristics of our changing world, and it goes without saying that the far-reaching changes that are taking place in Eastern Europe have fostered the trend towards the establishment of major economic groupings in Europe, Asia and Latin America.

Nevertheless, Africa, which is clearly not only the most underprivileged continent but one whose needs are growing more urgent, appears to be on the sidelines of that development. One question we must answer is how to include Africa in the major trends of the world economy, how to make Africa a protagonist in world change?

Although problems of development are coming to be of growing concern to the international community they are not, unfortunately, always examined by the developed countries in their real context and international actions are not always conceived in a harmonious and integrated manner that takes all aspects of development into account.

Indeed, the international community usually reacts with a certain generosity and speed to emergency situations and appeals for immediate assistance in cases of urgent need. On the other hand, the requirements of long-term development are not given consistent and sustained support.

Whether it be external-debt problems or the drop in raw-materials prices, about protectionism or the problems of market access, international co-operation, instead of coming to grips with the real causes of the serious structural imbalances in the world economy, is unfortunately limited to short-term, ad hoc and vague measures.

(Mr. Santos, Cape Verde)

We must all share in the collective responsibility for strengthening the machinery of international economic co-operation to foster sustained economic growth. By the same token we are bound to note that it is up to the developing countries to shoulder their responsibility for adapting political and economic institutions to their development requirements.

The realization of the goals of international economic co-operation and a resurgence of economic growth and development in the developing countries presupposes international macro-economic co-ordination and balanced multilateral control, which would guarantee the full-fledged participation of all countries and take into account the interests of each and every one of us in keeping with the situation, problems, abilities and responsibilities of every country.

We earnestly hope that the special session will establish an overall framework for reflection on development problems within which the problems of the least developed would be given special treatment, thus providing us with a good basis for the forthcoming Paris Conference on Least Developed Countries.

Situated as it is in the Sahelian area where desertification is proceeding at alarming speed, Cape Verde has undertaken a reforestation campaign that has had a widely recognized success but that requires considerable effort and sustained international support if our country is to cope with its own development problems and participate in the world effort to preserve and improve the ecological balance of our planet. In that context we welcome the convening of a Conference on Environment and Development, which is to take place in Brazil in 1992.

Of all the least developed countries in Africa, Cape Verde is no doubt the one with fewest natural resources. Nevertheless, thanks to stringent management of its available resources our country has had a positive economic growth rate and a clear improvement in social indicators.

(Mr. Santos, Cape Verde)

However, our country's economy remains heavily dependent on the outside world, since it has not yet reached a level sufficient for it to be self-supporting. Thus, the situation is still fragile, and with a view to bringing the country gradually to a situation of overall, long-term self-sufficiency Cape Verde has just set up institutional and legal machinery to foster and attract direct foreign investment, taking advantage of the geostrategic situation, political stability and human resources.

At the same time, a process of political change has been set in motion aimed at strengthening the country's institutions and political stability and at providing for greater responsibility and participation by our citizens in socio-economic and political life, including measures to foster private initiative.

It is certain, however, that for a relatively long transitional period Cape Verde will still need substantial external support. That is why as an African country we are concerned at emergent trends to give priority attention to other parts of the world to the detriment of Africa, even though we do understand the underlying political motivations guiding such options.

Today's world, which has become one big village, is clearly at a turning-point in its history. We hope that the special session of the General Assembly will call a halt to lost opportunities and be a point of departure for the building of a more harmonious world in greater solidarity and justice, that it will pave the way for fruitful co-operation for all and that it will initiate a true and lasting dialogue that will find concrete form throughout and well beyond this new decade.

Mr. EL-FATTAL (Syrian Arab Republic) (interpretation from Arabic): My delegation is pleased to congratulate the President on his election to guide the eighteenth special session of the General Assembly. His election is an expression of our profound confidence in his political and diplomatic skills and a tribute to his country.

(Mr. El-Fattal, Syrian Arab Republic)

The admission of Namibia as a full-fledged Member of the United Nations stresses the historic significance of this special session. Following the triumph of the Namibian people over colonialism and racism, in a struggle that won the support of the majority of States Members of the Organization, we see Namibia today occupying its rightful place among the ranks of independent nations. This will surely give new impetus to the work of this session to our struggle until the odious racist régime in southern Africa is finally eliminated.

This special session devoted to international economic co-operation, in particular the revitalization of the economic growth and development of developing countries, is being convened at a time of profound and far-reaching changes in the international arena that will have repercussions on the international situation as a whole and, in particular, on development and economic issues.

With the increasingly palpable signs of détente as manifested in the relaxation of tensions and the improvement of relations between East and West, there are strong indications among all peoples of the world that co-operation, trust and the sense of responsibility will emerge as the norms in efforts to revitalize development and economic growth and co-operation, thereby enhancing the foundations of international peace and security. We hope all these developments will lead to the formulation of international economic relations that will promote the developing countries' efforts in their aspiration to an equitable international economic order, for the benefit of all peoples, without discrimination.

The special session is being held at a critical time. The economic crisis of developing countries has seen unprecedented deterioration that has aggravated the suffering of the people of those countries, who have long worked to ward off the evils of poverty, deprivation and hunger. That crisis is, by the acknowledgement of all, the product of an international economic system set up on unfair foundations. It is our hope that this important special session will agree on practical measures to lay the foundations for a balanced system of economic co-operation with the aim of bringing about a just and universal international economic order.

In fact, the present international economic crisis is fundamentally a reflection of the unbalanced structure of the world economy and of the injustice of ongoing economic relations, especially between North and South. In recent decades these negative phenomena have encouraged some developed countries to take advantage of their strong position and go to further extremes in imposing their political will upon the developing countries. Their purpose has been to maintain that oppressive status in relations between the North and the South. Furthermore, they have worked to perpetuate their policies of economic blockade and embargo, the freezing of assets and economic sanctions, among other illegal practices and measures against certain developing countries - in complete disregard of the legitimate national aspirations of those nations.

This situation calls for us to take serious action to put an end to these grievances and to work to bring about a new balanced structure of relations between developed and developing countries, in conformity with international covenants and instruments and in keeping with the interests of all members of the world community, without discrimination or prejudice.

The improved international political climate resulting from détente and the policy of rapprochement will not of itself have an impact on economic relations. Détente itself will remain fragile and vulnerable so long as radical changes within the context of international economic relations are not made to redress imbalances that militate against the less developed countries.

In this context, it will be recalled that the developing countries, by means of their ongoing South-South dialogue, are currently in the process of laying down the foundations for constructive co-operation based on self-reliance. One outcome of this co-operation will be the establishment of a single, broad and coherent group entrusted with the conducting of negotiations with the North to seek

(Mr. El-Fattal, Syrian
Arab Republic)

collective solutions based on the spirit of international co-operation and mutual interest.

This special session of the General Assembly provides us with a significant opportunity to reassess the nature of the challenges posed by the development crisis in the light of current economic changes. This should help us in our efforts to conduct a frank dialogue with the developed countries as we seek to adopt a common position, in co-operation with the developed nations, on the urgent implementation of agreed solutions to the dilemmas besetting many developing countries, namely external debt, exchange rates, lack of financial resources, commodity prices, food shortages, degradation of the environment, development of human resources, and the technology transfer.

Similarly, it is our conviction that attention should be focused on the need to agree on a United Nations development strategy for the Fourth Development Decade, 1991 to 2000, which is supposed to provide us with a consistent framework for international co-operation.

We should warn that if the present approach to international economic affairs persists - an approach which induces slow growth and retrogression - the developing countries will not be in a position to carry out their planned economic reforms nor will they be able to regain the momentum necessary for the growth of their economies. At the same time, all developed countries must strive to reach the target of 0.7 per cent of gross national product for official economic assistance, 0.2 per cent of which is to be allocated to the least developed countries, by the end of the 1990s.

Due to its size and complexity, the external debt problem has become a universal crisis of grave economic and political proportions. The potential impact of that crisis on the process of development and growth in the developing countries is likely to be far-reaching. Syria supports all efforts to alleviate the debt burden of the developing countries by means of dialogue between debtors and creditors. However, any agreement should take due account of the deteriorating economic conditions resulting from external debt, as well as the legitimate right of every developing nation to chart its own economic policy, to allocate its resources to the investment and consumption sectors, and to safeguard its national interests and sovereignty.

To handle the various aspects of the current economic crisis and redress the imbalance in international relations, it is first and foremost necessary to foster North-South co-operation and respect for the rules that govern it. In this regard we must stress the responsibility of the developed countries towards the developing world that stems from the interdependence of the international economy. The developed nations have persisted long enough in their negative attitudes, declining to respond fairly and objectively to the needs of developing countries. It is not surprising, then, that the world economy, which is built on a system of inequality, injustice and exploitation, continues to be detrimental to growth and development in the developing world.

On the other hand, the critical link between disarmament and development cannot be underestimated. Success in bringing about nuclear disarmament and designating zones free of nuclear weapons and other weapons of mass destruction is sure to reduce tensions, release resources and generate the energy needed to sustain economic and social development programmes to enhance economic and social stability. Therefore, we appeal once again for implementation of the Plan of Action adopted by the International Conference on the Relationship between Disarmament and Development, held in New York in 1987. Further efforts should be

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made to divert all kinds of economic resources released through disarmament for the implementation of programmes of economic and social development.

In this regard, the persistence of Israeli policies and practices in the occupied Palestinian territories, the Golan Heights and the other occupied Arab territories has led to an alarming deterioration in the living conditions of the Arab population therein. Israel continues to deprive the Arabs of their basic economic, social and cultural rights. It persists in uprooting the Arab population by displacing and deporting Arabs and confiscating their natural resources to engage in occupation, expansionism and the establishment of settlements. In confirmation of that systematic approach, the Israeli Prime Minister, Yitzhak Shamir, has proclaimed that intensive settlement is necessary for the building of Greater Israel. On another occasion he stated that the great flow of immigrants to Israel dictates that the territories under occupation be maintained to meet the urgent need to house them all.

We draw attention to the gravity of those statements made in association with the new influx of settlers, to bring about further expansion at the expense of the Arab population with a view to establishing Greater Israel from the Nile to the Euphrates.

It is admissible to ask how we can debate development at a time when these perils continue to beset the Arab people and menace their existence, identity and their integrity. The Israeli policies and practices are diametrically opposed to the purposes of this special session and are in flagrant violation of international law, United Nations resolutions and, particularly, the provisions of the Charter of economic rights and duties of States, which provides that:

> "Every State has and shall freely exercise full permanent sovereignty, including possession, use and disposal, over all its wealth, natural resources and economic activities." (Resolution 3281 (XXIX), chap. II, art. 2)

(Mr. El-Fattal, Syrian
Arab Republic)

It goes on to say that:

> "It is the right and duty of all States, individually and collectively, to eliminate colonialism, apartheid, racial discrimination, neo-colonialism and all forms of foreign aggression, occupation and domination, and the economic and social consequences thereof, as a prerequisite for development." (ibid., chap. II, art. 16)

The living conditions of the Syrian Arab citizens in the occupied Golan Heights are tragic: they are being prevented from marketing their agricultural products; they are being deprived of water and pasture resources; their lands are being confiscated. So far, the Israeli authorities have built 41 settlements in the occupied Golan Heights, and more than 12,000 settlers have now taken up residence there.

In conclusion, we fervently hope that this special session will succeed in elaborating a realistic strategy, with well-defined objectives, for the speeding up of international economic co-operation, development and growth in the developing countries, and in adopting specific measures to implement that strategy within the United Nations. The specialized agencies of the Organization must play an effective role in every stage of the preparation, identification and implementation of that strategy.

Mr. AL-NI'MAH (Qatar) (interpretation from Arabic): I have the pleasure, as I speak for the first time before the General Assembly shortly after assuming my post as my country's Permanent Representative, to express to Ambassador Garba my congratulations on his election to the presidency of this special session devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries. I am fully confident that his well-known efficiency will greatly aid us in our deliberations and significantly contribute to their success. This session will undoubtedly enrich human knowledge with new ideas and suggestions that will lead, we hope, to a declaration that, once adopted, will be of great guiding value.

I have the pleasure also to hail the independence of Namibia and its admission to the United Nations as an effective member of the international community. My country is proud to have contributed to the common international effort to help Namibia and facilitate its transition to free and sovereign statehood.

The hoisting of the banner of freedom over that valiant country is proof that the forces of good in the world have triumphed. They represent an achievement for the United Nations that will go down in history with pride and gratitude.

We look forward to the future with hope that the United Nations will be in a position to make further achievements for peoples whose lands have been wrongfully and violently usurped. In the forefront of the struggle is the people of Palestine, which is daily making greater sacrifices amid escalating repression and suffering. It is high time that that people attained its right to regain its land and to establish an independent State on its own soil.

In convening this special session devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries, the General Assembly must examine important events

(Mr. Al-Ni'mah, Qatar)

arising from the latest political developments in relations between the super-Powers, on the one hand, and within the countries of Eastern Europe, on the other. These questions tend to have a great impact on international economic co-operation, especially on the efforts of the industrialized countries towards assisting the developing countries to develop their economies and keep pace with social and economic development.

We are witnessing transformations we never dreamed of; until recently we never thought that such developments and changes could be so swift. These changes herald the onset of a new international economic system free of confrontations, one that will enjoy the integration of Eastern and Western Europe - a system founded on principles different from those that had prevailed in the second half of this century when the world was divided into an arena for political and ideological conflict between East and West. The fires of that conflict were fanned by the fever of an armament race that squandered resources and common wealth of mankind.

Events yet unfolding are sure to open up new prospects for the future. While we hope that the political détente and agreements between the two super-Powers to reduce armaments will create a surplus that can be channelled towards meeting the requirements of economic co-operation and assisting the developing countries, we pray that the two super-Powers will not ignore this fervent hope.

(Mr. Al-Ni'mah, Qatar)

In this light we must, in exploring the future prospects and development capabilities of our countries, mobilize more of our endogenous capacities and seek the best approach in our development endeavours, while appealing to the industrialized nations to provide the support we need. We must bring home to them the fact that international détente should not impair the strategic economic interests of developing countries, for safeguarding those interests is vital to a world economy characterized by interdependence.

While we wish the countries of Eastern Europe all the best in their co-operation with the West, we do not expect the Western countries to turn their backs on the developing world. It is our hope that East-West co-operation will reflect favourably and beneficially on the entire international community, developed and developing countries alike.

The retrogression of economic development in developing countries is bound to have adverse effects on the industrialized nations and their economic growth, since all countries - whether developing or developed - exist within the framework of an international economy that has become a single interdependent unit, the interests of each of its elements being in the development of the whole, whereas any damage to one part of it reflects on the economies of all.

I believe it correct to say that we are witnessing a growing imbalance in international economic relations, which further complicates matters and adds to the inequity of relations between developed and developing countries. If the gap between the two worlds is not narrowed, we will ultimately be confronted with the spectre of a mankind forever divided like two estranged twins. From the moral and human viewpoint, that would be inadmissible: mankind must be kept intact to embrace the entire community of nations, which is fully cognizant of its viability for a common future founded on interdependence and mutuality.

(Mr. Al-Ni'mah, Qatar)

The Secretary-General's report to the Preparatory Committee of this special session abounds in recommendations that deserve our reflection and serious consideration. It contains a comprehensive review of the state of the global economy in the 1980s, which is rightly described as a decade lost for development. The Secretary-General notes the regrettable reality that economic growth in most developing countries was slower in the 1980s than in the 1970s and the 1960s. Such a situation calls for a radical and immediate remedy, and we agree with the report that the United Nations should utilize the strong points of the international economy and the current relaxation of international political tensions to reach agreements that will improve the management of international economic co-operation in the decade ahead.

The great need to devise rational and effective policies of international economic co-operation for the 1990s is highlighted by the fact that the vast majority of the world population lives under the harsh conditions prevalent in the third world. Those conditions stem from the decline in the prices of commodities - including oil - produced by developing countries - and from the deteriorating terms of trade. Furthermore, the decline in gross domestic product and in financial resources, the burden of external debt, protectionist trends, rising interest rates and unstable rates of exchange are among the factors that have adversely affected the third world and impeded its development.

It is now ackowledged by all that the reactivation of investment in developing countries requires considerable increases in financial flows to those countries. We fully support the proposal made by the Secretary-General in his report: that a target date be set at the beginning of the 1990s for the solution of the debt problem of the developing countries and for seeking to establish an international mechanism for reviewing existing debt with a view to alleviating the burden of indebtedness, which stifles creativity and paralyses all attempts at economic development.

Recognizing the problem itself is relatively easy. It may not be so easy, though, to stem its consequences. Today we must carefully consider all these problems, taking due account of the highly negative results of the developing countries' economic underdevelopment, with its potential consequences for the social situation in the major part of the world. The significance of economic development of the developing countries cannot be grasped without a concomitant comprehensive concept of interdependence and international mutualism.

How can international détente prosper within the framework of a world economy which goes from bad to worse and in which the vast majority of countries suffer from the problems of poverty, malnutrition, indebtedness, among other grievances that they cannot tackle single-handedly.

It is high time to query whether human beings can build a new era and establish new international relations in the absence of the sought-after economic interdependence between the developed and developing worlds and of a reasonable economic standard for the greater part of mankind. That would definitely amount to self-deception and an unwillingness to adopt a sound approach that lays the right foundations for an international security system built on the concept of human integration in accordance with the different conditions of all countries, while taking due account of the hopes and aspirations of developing societies, not just of the needs of developed nations.

We are deeply concerned about the widening economic and technological gap between developing and developed countries. While most of the economies of developing countries suffer from stagnation and deterioration, the main focus in the economies of industralized nations is the need to pursue non-inflationary growth.

One of the heaviest burdens borne by the countries of the third world that aggravates their problems is the continuing and worsening deficit in their trade balances with the developed countries. Among the various reasons for this is the decline in the prices of commodities, which constitute the mainstay of the developing countries' economies and the major element in their exports to the developed world. However, prices remain at a level inferior to the real value of commodities as a result of inflation and other economic factors, which depreciate the value of commodities, year after year, if prices remain unchanged or, indeed, actually decline.

(Mr. Al-Ni'mah, Qatar)

My country, together with the other commodity-dependent countries of the Arab Gulf, attaches special importance to stabilizing and boosting the prices of commodities exported by developing to developed countries, within the framework of rationalizing the international economy and generating positive impetus for the development of non-industrial nations.

In the 1980s, our region saw an unfavourable economic environment created by the sharp decline in oil revenues. This was the direct result of policies and measures adopted by the industrialized countries - policies and measures which gave rise to continuous fluctuations in oil prices and created a tendency for their decline. In response, all the oil-producing countries members of the Arab Gulf Co-operation Council were forced to apply austerity measures, naturally at the expense of their economic and social development programmes. This has clearly weakened their ability to provide assistance to developing countries.

A thorough understanding of the economic situation of our area in the 1990s and of its contribution to development will remain closely linked to fluctuations in the oil market. It is inescapable that oil revenues still account for the greater part of our region's income.

In talking of some of the issues of concern to the development efforts in the third world no problem should acquire higher priority to countries that have not yet set the base necessary for industrialization and developments other than by changing the patterns of production methods. The developed world, in its pursuit of novel patterns and methods of production, has made it incumbent upon the developing countries to follow suit and improve their own means and methods of manufacturing by relying heavily on consumer goods that cause considerable damage to the environment.

Therefore, protection of the environment and preventing its pollution from industrialization is of paramount importance to development effort. However, this calls for concerted action by all segments of the international community. This special session provides an appropriate opportunity for us to give that question due attention.

The developing countries have already expressed a genuine desire to co-operate in seeking radical solutions to the social and economic problems faced by our interdependent world. We believe in the feasibility of a continued and broad dialogue between the developed and developing countries with a view to establishing international economic co-operation that takes account of the interests of all, their being interrelated and mutual. Undoubtedly, this special session provides a good opportunity for us to resume such a dialogue. With the necessary political will and good intentions on the part of the developed countries towards the developing nations, we believe that the special session will, indeed, give great impetus to international co-operation for development.

In this hurried statement I have tried to propose some new ideas to the Assembly, guided by the Secretary-General's report in my examination of a few of the important requirements for a reactivation of economic development in the developing world - a reactivation which will not occur except through creative human endeavour. Man alone, as the means and the end of every human endeavour, is the source of creativity for development, and within him lies the ability to build a developing world founded on security, peace and stability.

In the light of such universal recognition of the value of the human factor, for development and social advance, my Government, under the guidance of His Highness the Emir of Qatar and His Highness the Crown Price, is sparing no effort in working to enhance the performance of every individual and help him develop his potential. The expansion, development and reform of the education base is instrumental in my Government's efforts.

What we seek at this session is to initiate the formulation of a sound concept of the steps necessary for the revitalization of economic development, through the devising of a new approach to the economic relations we aspire to. Such an approach will guide the bulk of developing nations in the pursuit of their objectives along the rugged path to development, like youngsters at the outset of their life's journey, to a better tomorrow and a life of dignity.

It gives me pleasure at this special session to reiterate that Qatar continues to support the role of the United Nations in the promotion of international co-operation through the development of scientific research and the co-ordination of efforts to help utilize man's innate capabilities and creativity as the common heritage of mankind. The Organization's role will, I hope, be instrumental in attaining the desired growth and development, as well as in opening up possibilities for a positive transfer of technology and the sharing of scientific research. This should enable the developing countries to rehabilitate and rationalize their human resources.

At the same time, my country will continue to lend its strong support to the role of the United Nations so that it may remain the best central forum for international efforts to reform the world economy and make the necessary plans for the development of the human and physical resources of the developing countries.

We call on representatives at this special session to conduct a sound, viable dialogue in order to identify the impediments and problems and find effective solutions to them, always focusing on achieving a convergence of views upon the measures required for economic growth.

For our part, we should like to reaffirm the role played by the United Nations as the major forum for dialogue and negotiations in relation to international economic co-operation, as well as in the formulation and implementation of the strategy for the fourth United Nations development decade.

The PRESIDENT: In accordance with the decision taken by the General Assembly at its 1st plenary meeting, held on 23 April 1990, I now call upon the Deputy Minister for Foreign Affairs of the Democratic People's Republic of Korea, Mr. Kang Sok Ju.

Mr. KANG (Democratic People's Republic of Korea): Let me first of all congratulate Ambassador Garba of Nigeria on his election as President of the General Assembly at its eighteenth special session, devoted to international economic co-operation, and express my conviction that the current special session under his able presidency will contribute to promoting the overall development of international economic co-operation and, in particular, revitalizing economic growth in the developing countries.

Let me also express our view that it is a really significant event that Namibia has attained national independence through its protracted and arduous struggle and membership in the United Nations with the unanimous support of all Member States.

At present the international political situation is witnessing a series of positive changes from tension to détente and from confrontation to dialogue. However, no positive changes are seen in international economic relations.

Today, the economic status of the developing countries is deteriorating, while the gap bvetween the rich and the poor, between the North and the South, is ever widening. The economic difficulties suffered by the developing countries in the building of a new society are being constantly aggravated because of the unfair international economic system.

Over the last decade the developed countries exacerbated the debt burden hanging over the developing countries by raising their interest rates. The debt crisis occurring in the early 1980s seriously hindered the economic development of the developing countries, driving the poor developing countries into a tighter corner of poverty.

The intensified protectionism of the developed countries and the steadily deteriorating terms of trade in the developing countries inflicted a tremendous loss on the latter's export earnings.

The financial flow to the developing countries is on the decrease, and in reality there is now a net outflow, so that the developing countries are hit by a serious shortage of funds.

As can be seen from the foregoing, over the last decade the economies of the majority of the developing countries have been weakened and have stagnated. The protracted world economic crisis and the serious economic situation of the developing countries have brought greater instability to the world situation and pose a threat to peace and security. Unless effective action is taken to restructure international economic relations, the ongoing process of détente cannot be accelerated.

(Mr. Kang, Democratic People's Republic of Korea)

At the beginning of the 1990s, the international community faces an important challenge to take global concerted action in a bid to reduce the gap between the North and the South and to achieve a prosperous world economy. What is essential to implement effective international economic co-operation and promote the economic growth and development of the developing countries is to restructure the existing international economic relations and set up an equitable international economic order. The international community should restructure the old system and order in all fields of international economic relations and establish a just and equitable new order and system, thus bringing about a new environment favourable to the economic development of the developing countries and hastening the attainment of a new peaceful and democratic world without exploitation and plunder, subjugation and inequalities, hunger and poverty.

Today's disadvantageous situation of the world economy can come to a successful settlement only when steady and consistent efforts are made by the international community. The international community should find ways to resume North-South dialogue and establish ongoing comprehensive North-South negotiations to improve North-South relations and promote international economic co-operation. Action-oriented measures must be taken to settle the important economic issues of the developing countries, such as foreign debt, trade, currency and finance, science and technology. Policies and measures should be adopted to increase the flow of financial resources from the developed countries to the developing countries. Substantial measures should also be taken to increase official development aid and foreign investment in the developing countries through the developed countries and export credit, banking systems and other multilateral institutions. A stable foundation should be laid to promote multilateral co-operation based on equality in trade and development. For this purpose, protectionism and trade-restriction measures should be eliminated, tariff and non-tariff barriers removed, and steps taken to control the activities of multinational corporations. In particular, urgent measures must be taken to stabilize the prices of primary commodities, thereby increasing the export earnings of the developing countries. In addition to this, the international community should pay due attention to expanding and activating South-South co-operation.

Our great leader Comrade Kim Il Sung, President of the Democratic People's Republic of Korea, explained in his keynote address in the Extraordinary Ministerial Conference on South-South Co-operation, held at Pyongyang in June 1987, that South-South co-operation represents a new form of international economic relations based on the common aspirations and interests of the developing countries and that the success of South-South co-operation would have a favourable influence on improving North-South relations.

Developed countries, as well as the international economic institutions, should expand their support to economic co-operation among developing countries, and special attention must be given to South-South co-operation in eliminating within this century the centuries-old calamities of hunger and disease. To draw up a practical policy on the debt of the developing countries and to carry it out are pressing tasks which brook no delay. It is necessary, therefore, for the Governments of creditor and debtor nations, the banks of developed countries and international monetary institutions to share the responsibility for the debt problems and to undertake political dialogues and co-ordination. My delegation considers it reasonable that the debt issue should be settled through dialogue and co-ordination in order to extend the period of debt repayment, free of interest, until such time as the developing countries involved can repay the loans.

(Mr. Kang, Democratic People's Republic of Korea)

Peace, disarmament and development are directly interlinked, and smooth economic growth can be guaranteed only in an atmosphere of peace and co-operation. Despite the global tendency towards disarmament and détente, it should nevertheless be noted that the arms race and military exercises alike are on the rise, aggravating tension in various regions, in particular the Asia-Pacific region. These constitute major factors that hinder peace, security and development in those regions.

The international community must take concerted action for disarmament in every corner of the world and adopt active steps to transfer to the economic development of the developing countries the precious human, financial and material resources freed by disarmament.

May I take this opportunity to assure Members that the Government of the Democratic People's Republic of Korea will join more actively in the international community's efforts for détente, disarmament and economic co-operation, by persevering in its efforts for peace and the reunification of the Korean peninsula.

My delegation will put forward its best efforts to help make this session one in which substantial measures conducive to the economic growth and development of the developing countries can be realized.

The meeting rose at 9.50 p.m.